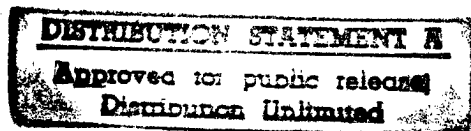




# ***JPRS Report***

## **Soviet Union**

### ***Economic Affairs***



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# FBIS 50th Anniversary Note

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R. W. Manners  
Director  
Foreign Broadcast Information Service

# Soviet Union

## Economic Affairs

JPRS-UEA-91-011

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## ECONOMIC POLICY, ORGANIZATION, MANAGEMENT

### Public Unsure on Private Enterprise

914A0475A Moscow SOVETSKAYA ROSSIYA  
in Russian 21 Feb 91 First Edition p 1

[Article by TASS commentator V. Petrunya: "Anxieties and Hopes: The Results of the Opinion Poll on New Forms of Economic Activity and Property"]

[Text] The current situation in the country is practically to nobody's liking. One does not have to be an economist or a political scientist for such "discovery of America"—it is enough to immerse oneself into the aggressive chaos of the lines or the scary vacuum of the stores; nevertheless, sociologists of the country's main statistical department have built this conclusion on the readings of an original numeric indicator of the public mood.

We cannot live like this—this is no longer just a cinematographic image. In any case, a good half of those ten thousand citizens who were "questioned" without bias by specialists last fall, expressed a willingness to even temporarily suffer material hardships as long as there was a better life ahead.

But a market is upon us. It is, perhaps, an antediluvian one, the worst of the kind, but it is an objective reality. What is it bringing us more of—hopes or fears? Probably the latter. That is why 60 percent of the population fears that prices will rise and the material conditions of life worsen. The social atmosphere of our times is characterized by these moods: every fourth person is uncertain of tomorrow; every fifth, is worried about insufficient social protection, and every seventh, is afraid, most of all, of such market-related phenomena as a lack of stability in society, and plunging morals, morality, and level of culture in the society.

In general, the majority of our compatriots, according to sociologists' testimony, prefer stability and confidence in the future to all other alternatives. That is why over 56 percent prefer to have even a minimal, but stable, salary and confidence in tomorrow. And only every fifth person prefers to earn good money even if the future does not hold any guarantees.

And what about the mood for business entrepreneurship? So far, only every seventh citizen of our country strives to have his own business and to conduct it at his own risk.

To be fair, the economic and social cataclysms are not very conducive to calm, businesslike deliberation, and to the predisposition for honest and assured entrepreneurship. Still, in regard to business, utter hopelessness does not appear to be the prevalent characteristic of the society. Perhaps, this is why 65 percent "vote" for

individual labor, almost as many support the development of leasehold arrangements, 59 percent are for the farmsteads, and 45 percent support creation of joint enterprises.

On the other hand, there is still a certain suspiciousness in regard to cooperatives and to privately owned enterprises: only 30 percent admitted that they approve of this form of economic activity. Even more cautious is the population in regard to free economic zones and joint stock enterprises: between 24 and 29 percent support them, while 15 percent reject them. It is true, however, that when the sociologists asked the respondents whether they knew what a joint stock ownership was, only every tenth one answered affirmatively. The rest, as it turned out, had either a very vague idea of it, or none at all...

This is also a reality of our far from simple times.

Obviously, the majority knows the difference between state and private property. A little less, but quite sufficiently spread is the knowledge of collective and cooperative property. What is interesting: when the specialists asked the workers of state enterprises what future they would prefer for their factories and plants, forty percent answered: state-owned, but more independent. What is behind it—the inertia, the habit of living the old way, or the commonsense, realistic approach?

Whatever it is, only 14 percent of state enterprise employees were in favor of free transfer of enterprises to workers' collectives; nine percent were in favor of leasing; five percent, for foreign investment; and four percent, for selling the enterprise into private hands or joint-stock ownership.

Even more attachment towards modernized but traditional forms of economic activity comes through in the rural areas. Collective and state farms are supported by 55 percent of their workers. Almost every fifth one is for the leasing of land, and every seventh would like to be allocated his share of it and work it on his own.

In this sense, the city dwellers are much more radical in regard to land. Therefore, when the researchers calculated average figures for all population categories, it came out that almost half (47 percent) intended to acquire land in private possession. Although every fifth one also admitted that, alas, they did not have the means. In general, we should distinguish these: it is one thing to acquire a small plot and spend your weekend doing gardening, and an entirely different thing to farm for profit. Naturally, the approach to these is different.

## PLANNING, PLAN IMPLEMENTATION

### Gosplan Staffers Discuss Department's Future

914A0390A Moscow IZVESTIYA in Russian 31 Jan 91  
Union Edition p 2

[Article by V. Romanyuk: "Gosplan Is on the Way Out... Will the Command Methods of Management Go Out With It?"]

[Text] The massive building of USSR Gosplan [State Planning Committee] is at No. 12 Marx Prospect. With the destruction of the old economic mechanism, who has not been raging and fuming in this citadel of the administrative command system? But it still stands. As before, people crowd up to the five little windows in the permit office in the morning.

Yu. Maslukov, chairman of USSR Gosplan and the current deputy prime minister, declared that there will be no Gosplan in a market economy. What will there be? I telephoned Gosplan workers that I know. Some are already gone, but those who still work there declared, sometimes with bitterness, sometimes with pride, that the USSR Gosplan is currently the only agency where economic ties are maintained. If there are no ties, there is no Union either.

In the meantime, the bustle that is normal for many of the agencies continues to reign in the building itself. Employees divide up packages with orders for goods and distribute them among the offices. My meeting with the deputy chairman of the state committee did not take place at the appointed hour: there was a special meeting underway in conjunction with the exchange of R50 and R100 bank notes.

But is this the only business of the state committee?

"We are working on the 1991 plan," cheerfully reports Ye. Ivanov, deputy chief of the summary department. "We have prepared 104 booklets for publication."

Intercepting my surprised glance, Yevgeniy Aleksandrovich smiles ironically.

"I understand: everything with the suffix 'plan' is being rejected. But a fact is still a fact: the Supreme Soviet has charged us with completing a plan—within the framework of the conduct of Union organs—for all agencies. That is what we are doing."

One does not sense panic in the department for the improvement of the economic mechanism either. True, the department has lost one-fifth of its employees, "bought off" by Russian agencies or large associations. A. Sukhanov, deputy chief of the department, acknowledged that he is glad of the increase in work: with the collective up to its ears in work, what need is there to panic? It has just completed work on a draft law on bankruptcy (a twist of fate, perhaps?). Underway is a draft decree of the government on associations, and several other draft bills are being reworked, including some on the problems of the small business. The government has also commissioned specific projects.

Will we not be making a mistake by scattering the experience and intellect of Gosplan, accumulated over decades? The question is a complex one. Today 2,200 people are employed there (two years ago, even after cuts, there were 3,600). My old acquaintances at Gosplan have told me that they leave with bitterness. After

all, a market economy cannot function without a regulating and, if you wish, informational and orientational influence. The functions of operational management and the levers of directive-style supervision are being discarded, but the economic ties and the structures serving them will remain. True, what was previously decided by "state instructions" should now be carried out using taxes, tariffs, prices, and credit.

"Today everyone recognizes that the administrative apparat was dismantled too soon," says P. Anisimov, deputy chairman of the USSR Gosplan. "We dismantled those administrative structures that ensured the functioning of the national economy. It is possible that some of them will disappear under conditions of a market economy. But it would be wrong to expect that we will achieve self-regulation of the economy by this means."

Pavel Petrovich cited a curious statistic: in recent years, when criticism of the USSR Gosplan from all sides has grown louder and more insistent, the number of assignments for Gosplan from the government and the Supreme Soviet of the Union has also increased. In 1990, there were 3,324 such assignments from the Council of Ministers, each requiring an analysis of the situation, reports, and drafting of proposals. More than 7,000 telegrams were sent to the state committee, including 330 with assignments from directing organs.

One is especially struck by the new atmosphere within the old walls. Earlier, about 10 years ago, it was necessary to make an appointment in advance to see even a rank-and-file specialist. You were met by the steady gaze of a man who immediately let you know that he represented the state and commanded dozens of general directors. As a rule your questions were followed by an efficiently condensed answer composed mainly of fragments of rote instructions or a list of categorical prohibitions against mentioning this and that in the newspaper. Today it is different: You may walk along the different floors and converse with people who are clearly not overloaded with work and even have a cup of coffee, and no one looks at his watch or demands that a future article be reviewed.

What is work like at the USSR Gosplan today? In some departments there is little work and alarmed expectation of abrupt changes. Others are overloaded with work. The indeterminateness alarms and immobilizes people and puts them off their usual routine. Yevgeniy Aleksandrovich Ivanov is one of the few who has preserved his peace of mind. The 1991 plan has still not been published, and he has already told his employees to begin work on the 1992 plan: whether or not Gosplan will be functioning, someone must do this work. He told me that the fate of USSR Gosplan itself is not so very important. It is far more important to formulate the functions of the new economic organ and organically insert it into the new administrative structure.

According to Ye. Ivanov, the new economic organ should have at least four functions: forecasting, proper

planning, programming, and economic regulation. Yevgeniy Aleksandrovich easily agreed with me that forecasting could be conducted by the forces of the scientific centers and nongovernmental structures, and programming, by the forces of GKNT [State Committee for Science and Technology]. But even economic regulation could be accomplished elsewhere: Tax policy by the Ministry of Finances, pricing by the State Committee on Prices, and discount rates to be established by the USSR State Bank. But at this point bureaucratic sentiment took hold of Ivanov, and he objected that financial organs are only interested in taking revenues into the budget while the goal of regulation is to create a powerful stimulating mechanism.

"Please do not think that I am trying to preserve Gosplan at all costs," said Yevgeniy Aleksandrovich quite sincerely. "Far from it. Let them put a giant lock on the entrance. But it is necessary to preserve the intellectual potential of the state committee. For example, there are only about 15 people in the country who have mastered the national income and the gross national product, and ten of them are at USSR Gosplan. Understand, we are trying to give a meaning to our future existence and determine our place in the new structures."

Permit me to digress. Economic policy is implemented not in the form of slogans and desires but in the form of highly detailed, scientifically based, interconnected, balanced calculations. This is the activity that makes up planning—no government can do without an organ carrying out such an activity. There are powerful economic centers in all of the free market countries. France's Ministry of Economics and Finances contains 7,500 bureaucrats in the central apparatus alone. Japan's Ministry of Foreign Trade and Industry has 12,000 employees. True, they do not have as many ministries and agencies as we do. And no one else works out the gigantic volume of indicators for a plan that filters upward along millions of channels and then filters back down again.

At one time J. Stalin said, as though carving it in stone: "Our plan is not a forecast plan but an action plan." We remember the even more concretized: "The plan is the law!" But what now? The solid word "plan" has been exchanged for vaguer ones: "intention," "state order." And even "state order" is being rejected in favor of "deliveries for the needs of the state." But to what degree is the essence changing along with the words?

Many Gosplan bureaucrats see the state committee in the future as renewed but nonetheless preserving control over the entire flow of material and finances. As they say, the market is the market and Gosplan is Gosplan. USSR Gosplanab [State Committee for Material and Technical Supply] is already moving to a contract system instead of a strictly distributive system, but USSR Gosplan still holds all of its innumerable functions.

Those I talked to remind me that there is a problem with accumulation and consumption, and only Gosplan can

calculate their optimal correlation without undermining the economy in the future. But even when Gosplan was functioning at full strength it was unable to do that even once. The command system functioned by ignoring economic logic and violating economic laws.

Gosplan bureaucrats are proud of the fact that they have always adhered strictly to the line of the government. USSR Gosplan is an apparatus of the executive power and not a power itself, assert its strategists today. Then is it an apparatus that is prepared to carry out the commands of both democrats and conservatives? Those I talk to said, yes, yes! That jarred on me. I thought, is not the instinct for self-preservation uppermost in them?

"Allow me to put in a word in defense of the bureaucrat," said F. Burshteyn, head of a subdepartment. "Note: In many countries where ministries and whole governments are changed, the bureaucratic apparatus is preserved almost without change. These are professionals. Gosplan has many people who will function as effectively in a market economy as they did under the command system. A market needs 'rules of the game' if, of course, we are to create a civilized market. We are the ones who will create these rules and ensure that everyone follows them. Things are difficult now: The less power that remains, the more competence and skill there should be."

The most consistent opponents of Gosplan do not wish to turn the new economic organ into a successor of this departing agency. P. Anisimov, the deputy chairman of Gosplan, insists specifically on the right of inheritance of functions, asserting that the new organ will take the best from its heritage and will impeccably carry out the will of the new authority—USSR Gosplan always was exceptionally conscientious and disciplined in conducting the policy of the administrative organs. Even if it had a different position?

I have been told that N. Baybakov, who has been chairman of USSR Gosplan for 20 years, could talk freely with A. Kosygin and even at one time was one of L. Brezhnev's circle. I posed an "awkward" question: What kind of position did USSR Gosplan have if, as a result, we ended up with a distorted economic structure, exhausted resources, ecological catastrophe in many regions, and a ruined, jobless countryside? That was the line of the government, say those I talk to, making a helpless gesture.

Such is the psychology of the apparatus. Nonetheless, its obvious insufficiencies are a continuation of unquestionable virtues. The healthy conservatism that the Gosplan demonstrates is usually based on solid studies. They do not repeat populist slogans here, and they are prepared to deny even the fundamental postulate, "There are no alternatives to a market!" There are alternatives—one of them existed for 73 years. And it is hasty to completely repudiate the methods of centralized administration.



With our modest resources we should very clearly determine priorities and compose an operational plan guaranteeing the most rational distribution of resources.

"But then it would be logical to restore directive-style address planning," I said.

"No, it is detrimental inasmuch as it deprives people of incentive for self-development and works against competition. Many people say: 'Down with the plan!' That is wrong. The whole world has a planned and regulated economy, and we are rushing headlong to a market with only a vague idea of what it is."

What was our plan always lacking? Foresight, an objective and reliable forecast constructed on the basis of different initial scenarios. Properly speaking, attempts to construct a forecast have been undertaken before as well. For example, in the attempted reform of 1979 a forecast account was drawn up that filled 40 volumes. However, the entire procedure and methodology of working it out was a repeat of the procedure for working out the plan itself. It was as if the forecast produced a directive: This is how it should be, instead of finding out how it will be in reality. Last year's May forecast was, perhaps, the first serious attempt to really comprehend long-term development in the face of possible scenarios. It sketched a fairly gloomy picture and... it was rejected. In the end, we received a optimistic forecast for 1991 constructed on an optimistic scenario.

Today the bureaucrats of Gosplan would be unable to put together a forecast even for themselves. Is that a paradox? No, a reality. When we criticize USSR Gosplan we suppose it to be something monolithic. But in fact it is not united—many departments have been split: One person is for a market economy, others are strict adherents of directive-style planning. But all agree that even with full political demarcation of the republics, some sort of federal organs will be needed to carry out integration and coordination, preserve a united economic space, and conduct a coordinated economic, ecological, and social policy.

Let us look at the European Economic Community. It contains many of the features of that renewed Union for which we are conducting a tormenting search. Recently two new organs appeared in the EEC—an economic and social council, as well as an EEC consultative council for coal and steel. The laws that they are adopting bear a supranational character—that is, they are obligatory for all states (in our country, on the contrary, the republics are proclaiming the superiority of their own laws). A single currency was introduced recently, the ECU, and the design of a unified tax system is next on the agenda.

If we think about all of this we begin to understand the bewilderment of the Western experts who come to the USSR. Declaring a transition to a market economy, we reduce its chance of success by establishing customs borders, weakening the central power, and destroying the

institutions of planned regulation. We create for ourselves those very problems that the world is presently trying to leave behind.

## INVESTMENT, PRICES, BUDGET, FINANCES

### Law on Price Hike Compensation Needed Now

914A0447A Moscow TRUD in Russian 14 Feb 91 p 2

[Article by TRUD Political Commentator V. Golovachev: "Prices, Compensations, but What Are the Results?... Will It Be Possible To Fully Cover All Additional Expenses Caused By Rising Prices"]

[Text] Well, it looks like the outline of the coming price reform is beginning to take shape. I do not know whether agreement on going ahead with this reform has been reached at the Federation Council (it does not make much sense to undertake this difficult, unpopular, and, apparently, inevitable task without the general consent of the republics), but some information is surfacing in regard to its main direction and basic approaches. By all appearances, it is basically the same plan that was presented last May by N.I. Ryzhkov to the USSR Supreme Soviet, and then rejected by the parliament, albeit somewhat modernized and better defined. There is a difference, of course (and not just that in the old plan the new price for meat was proposed to be 5.50 rubles [R], while in one of the new versions it stands at R7; there is a difference in more serious aspects as well), but the general principle—**centralized increases in the state retail prices and corresponding compensations**—remains. Taking this and other sparsely available materials as a basis, let us try to estimate how these future reforms will affect the standard of living.

Thus, the first question: What is the average amount of compensation per capita expected to be? The May (last year) plan contained a proposal to set compensation for the able-bodied population at R45 a person (or, in the second version, a certain percentage of salary, with upper and lower limitations). We can assume with a great degree of probability that in the new program—if we take the total annual allocation for compensations, divide it by the total population and then again divide by 12 months—we will get an average calculated value of R45 to R50. Obviously, in some regions it may come to R30 a month per person, and in some it may come to R60 (it appears that there will be a differentiation not only by regions but also by population groups). Let us use, however, an average of R50 for our calculations.

Now we come to the main point. Is R50 in compensation much or is it little?

According to statistics, the families of workers and white-collar workers spend about 30 percent of their income on food, or somewhere around R50 a person. It is doubtful that these days it is possible to maintain healthy rations for a month on this amount of money,

but research shows that in practice, alas, this is what they have to make do with (millions of people have even less). By the way, according to trade union data, the cost of the set of products that constitute the basic necessities for normal functioning, including tobacco and alcohol, is R69...

Still, let us designate R50 for food (although in the farmers markets of many cities—Tula, Ryazan, Kostroma, Tver, Vladimir, and others—a kilogram of meat alone costs R15). Let us look at how much family expenses will grow (even at minimum) after this centralized increase in state retail prices. It is known that prices on food will increase two-and-a-half times. This means that the cost of food after the price rise will be not R50, but R100 to R120 a month per person.

This means that the added cost of food will come to R50 to R70. To this we need to add R22 to account for the rise in prices on non-food consumer items (in my perhaps not very precise calculations). In short, as a result of the coming price rises, expenses per family member may increase, I think, by no less than R100 a month. In low-income families it will be less, of course. But they already live in semi-starvation, spending on food one half of what the average family spends, and on non-food items one third of that.

So what do we have? The price reform takes R100 out of your pocket, but compensation will come to only half of that? How can this happen if it has been officially stated that, according to calculations, all money that is to be received from higher food prices will be passed back to the population; not only that, but it will be done in advance, that is, before the price increase.

I still think that the picture I painted above, with compensations comprising only half of the real increases, will turn out to be quite realistic, or, perhaps, even more gloomy. All prices—market, cooperative, state, and "shadow economy" ones—are invisibly linked. The rise in one type cannot help but affect the level of the others. Therefore, those tens of millions of people who today already do not get adequate nutrition, will have to cut their rations even further.

What follows from all this? Should we block the price reform again, as we did a few years ago? Today it is impossible. The circumstances have changed, as well as the situation in the country and the economy. Not only is it necessary to raise prices on coal and oil (it has become harder to extract them); there are many other factors as well. It is impossible to move towards a market under the burden of the gigantic and ever growing pressure of subsidies. The republics, where today budget problems are at the center of attention, have come to one and the same conclusion: Price reform cannot be avoided. Of course, it would by better to accomplish it when the economy is not in a tailspin but on a rise, with its pace quickening and the amount of goods growing. But we no

longer have the time margin; too many mistakes have been made, and now the choice of options is extremely limited.

In this complex situation, where, it appears, price reform cannot be avoided, we need to concentrate our efforts on the main point—to find an option that would permit us **to hold to a minimum the unfavorable consequences** of this action for the population—especially, for the low-income part of it.

I am deeply convinced: the reform should be conducted in such a way that tens of millions of people living below the poverty level or close to it would not feel the pinch in their budget and would not lose anything. And those 20 million whose average monthly per capita income is less than R75 (many of them are pensioners, disabled, and others) should, in my opinion, receive much heftier support, since with the regular compensation they will simply not survive under the new conditions.

How to solve this problem? A lot will depend here on the republic and local authorities. First of all, it is a matter of the size of the material compensation: for the low-income categories, it should cover all expenses related to the rise in state prices, as well as the rise in the cost of living related to other economic spheres. But this is not all. It is necessary to devise a system of non-cash assistance. This should include guaranteed availability of basic necessities at state prices, preferential coupons for cafeteria meals, organization of ordering food parcels, etc.

Talking about those who work in the industrial and service sectors, they have the opportunity to cover the increases with increased salaries. Clearly, this is not easy to do, production yield has to be increased or the sphere of services expanded, but there is no other way, and we should take energetic steps in this direction now.

It will be more difficult for those who live on fixed salaries, primarily doctors, teachers, cultural sphere workers, and low-paid office workers... The system of social protection for this category should include not only compensation—which, as we have discussed, will only partially cover additional expenses—but also certain preferences.

Strictly speaking, the universal solution would be to adopt a law on income indexation at the same time that the price reform is activated and appropriate compensation amounts are established. What does this mean? It is very simple: If, after the centrally implemented reform, prices keep going up (and there is no doubt that they will), **the mechanism of new compensation payments should kick in automatically.**

To be fair, the law on indexation should have been adopted in the beginning of December, to be effective 1 January. The draft of this law and other documents were ready back in the fall. But there is, I think, an intentional delay in presenting this draft law to the parliament. Now, however, time has run out. The law on compensations is

vitally needed. In particular, it would help those whose lives will become very hard after the reform, despite one-time compensations, to stay afloat.

Meanwhile, I hear more and more often this opinion: even if the draft law is presented at the USSR Supreme Soviet session this February, it will most likely be adopted at the end of the year. One high-ranking official told me straight: "We will be lucky if this law is activated in 1992; most likely, it will be in 1993..."

I think that this approach is ripe with all kind of social cataclysms. The trade union position in this cannot be anything but uncompromising. Some republics, such as, for instance, Belorussia, have already adopted, or will

adopt in the near future, their own indexation laws, without waiting for everybody to come to a consensus about common principles. But this is not the solution to the problem. I have no doubt that the coming price reform will exacerbate this issue to the extreme. It is better to deal with it without waiting for serious conflicts.

The country has entered a very difficult time. Each of us has to realize: Today it is especially dangerous to "rock the boat." Civil peace and calm will depend to a large degree on whether decisions made "above" are well thought through, and their consequences are weighed. Also, on their timeliness.

## POLICY, ORGANIZATION

### Economic Development of Crimea Viewed

914A0411A Kiev *EKONOMIKA SOVETSKOY UKRAINY* in Russian No 10, Oct 90 pp 86-87

[Article by V. Getmanchuk and F. Finogeyev, candidate of technical sciences (Simferopol): "The Crimea on the Path to Self-Financing"]

[Text] Among problems that have become perceptibly aggravated by efforts to convert the Crimea to conditions of self-financing, mention may be made of those arising from efforts to exploit the oblast's potential for recreational health resorts.

For a long time the question of developing resorts for recreation and health did not receive the attention it deserved. First of all, there was no recognition of the extent to which this activity is linked to the economy. Undoubtedly, the ideas of regional cost accounting, which are advancing only with difficulty, will give an impetus to resolving problems related to economic relations and the efficient utilization of recreational facilities and labor resources in the health resort sector.

Throughout the world recreational services provide a reliable source of income and a vital way to attract outside sources of revenue. In the Crimea, however, this area of the national economy has been notably neglected.

There are even popular misgivings that the conversion by the oblast to self-financing, at a time when the indicators of health resort services are absent not only from the plans for economic development but from statistical reports, under the circumstances, may strike a powerful blow at the economy and relegate it to a state subsidy.

These misgivings are not groundless. Witness the fact that no effort has been made by the government as a whole to organize the facilities for health resort treatment and recuperation. In the Crimea alone this vital social task has been thrust on the shoulders of some 70 Union or republic ministries and departments, 460 enterprises and organizations, which together maintain about a thousand convalescent facilities. Such government agencies as the UkSSR State Agroindustrial Committee, which has more than 90 sanatoriums, the USSR Ministry of Defense, the Komsomol Central Committee, as well as dozens of different departments and other organizations, are presently engaged in performing functions to promote rest and recreation, medical treatment, and tourism, for which they are not suited.

The popularity of the Crimea as a resort area should have a pronounced economic impact on the oblast economy, as T. Dementyeva and Ye. Serdyuk have correctly noted.<sup>1</sup> It should also make it possible to assist the local population in extending the range of its services, and to improve health services for those who have not been sent by government organizations. But the

existing system of management is not geared to promoting the health resort business in the oblast. As everyone knows, not even a part of the income derived from health resort services enters the budgets of the cities, rayons, or territories where the resort complexes are situated. Instead it is dispersed among the ministries and departments whose institutions of health happen to be located in the Crimea. As it turns out, the local soviets with health resorts under their jurisdiction receive a miniscule income from them in the form of a health resort surtax. Consequently, they tend to lose what interest they have in maintaining, developing, or making affective use of them. However paradoxical it may seem, it is more advantageous for a city to develop industry, a part of the income from which goes into the local budgets. In addition, the development of recreation and health resort facilities inevitably diverts labor resources from other branches of the economy as a whole. It is sufficient to note that more than a hundred thousand people are directly employed at the present time in Crimean health and convalescent institutions, and that a total of about 1.5 million are employed in ways that are indirectly involved with the resort business. Moreover, another 40,000 service personnel will be engaged in the design, construction, or renovation of health resort and convalescent institutions in the near future.

It should be noted that virtually no funds for the maintenance of rest and recreation facilities (even for the stage of self-regulation) are not being set aside. The result is that these institutions are losing their beneficial health-giving quality, and that the overall resort infrastructure is lagging hopelessly behind the times.

Particularly pressing under present conditions are the problems related to improving the economic mechanism for the use of natural resources, key aspects of which are estimating and paying for them. As in other resource-intensive branches, together with the fixed assets of the recreation and health resort industry (the value of which in the Crimea exceeds a billion rubles), natural resources constitute a "basic means of production." The restoration of human vital forces is achieved on this basis. Departments with sanatoriums, boarding houses, rest homes, or other facilities would not even think of paying any kind of compensatory depreciation allowance to the local administrative bodies, which are as the legitimate proprietors of the territory.

Standardized expenditure costs for the construction of housing and projects in the social infrastructure were set by the oblast executive committee back in 1987 for a single worker and a single resort inmate, as were the amounts to be borne in constructing these projects by the enterprises and organizations responsible for the construction and expansion of industrial, health resort, or other types of projects. However, these assets are being poorly located and used. Here, as previously, a residual principle is in effect. Thus, for example, out of R49.4 million earmarked for construction of a distillation plant in Simferopol, over a three-year period R40 million or 82.6 percent have been assimilated; whereas for building

houses and communal and cultural facilities, only R1.1 million out of R18.8 million, or 7.1 percent, have been assimilated.

An analysis of the existing situation permits the conclusion that the same pay scale should be established for the use of recreational resources that applies in other branches of the national economy. It is also clear that remuneration for resources used, in the form of a deduction for the restoration of the recreational potential, should be credited to the budgets of the local soviets. Standardization of these payments will make possible long-term planning of resort areas.

The introduction of payments for recreational resources will provide department-run sanitariums with an incentive to utilize areas assigned to them in an efficient and economical manner. It will also encourage the growth of services for persons attending health resorts who are not sponsored by government organizations, and generally it should lead to a more intensive use of available facilities. At the present time only a third of the sanatoriums in the Crimea are in operation throughout the year, but they have the potential to accommodate more than 1.5 million people annually.

Work is now in progress in the oblast to appraise urban areas and health resort sites and to ready proposals for land use assessments. All of this will help to improve the system for managing the economic and social development of the oblast, to resolve basic problems of the placement and development of productive forces, and to ensure the efficient utilization of area resources by attracting and concentrating the assets of departments, enterprises, and organizations.

The time has not yet come to speak seriously of "unchaining" these institutions from the ministries and departments and transferring them to the local soviets of people's deputies. They are too important to the ministries. Moreover, the soviets are not ready to take them over—the demands of the industry are too great. The All-Union Central Council of Trade Unions alone allocates R275 million annually to subsidize its health resort complex.<sup>2</sup> This figure includes more than R27 million that accrues to the benefit of the Crimea.

Moreover, there are other sources of revenue for maintaining the vital activities of the sanatoriums. There are centrally provided funds for area public services; the proceeds from the health resort surtax; the funds of the contracting organizations and of independent builders. An analysis completed by the oblast executive committee's planning board indicates that these funds altogether amounted last year to about R40 million.

The poorly developed infrastructure (transport, roads, hotels, etc.) is having a harmful effect on the economy of the health resorts, and it is acting as a brake on the development of external ties.

The backlog of problems in the health resort field calls for a fundamental reorganization of management. It is

submitted that a decisive factor in this process will be achievement of managerial independence by the health resort institutions. This is one way to counter the pressures imposed by the departments and to bring about a basic restructuring of their relations with the local soviets of people's deputies.

It is therefore necessary today, while still at the stage of working out project estimates, to provide for the health resorts to function as independent corporate bodies with the same rights as those of a state enterprise. Their activities should be based upon the principles of cost-accounting and self-financing, while performing their obligations in meeting local budget requirements, in accordance with the rules and regulations that apply to paying for labor, natural resources, and taxes.

Meeting these demands will justify in economic terms the contention that the health resort sector is a basic element of the Crimean economy. It will also result in allowing health resorts to operate on cost-accounting principles, and it will help to safeguard the priority status of this sector in relation to other sectors of the oblast economy.

Considering the vital importance of the recreation and health resort economy in deriving economic benefit from serving the health needs of the workers on a mass basis, it is essential for an administrative body of the government to take up this matter. The principal economic planning body of the oblast executive committee has submitted to the Union and republic governments specific proposals for making the whole of Crimean Oblast (within its administrative boundaries) an all-purpose health resort area with zones of rest and relaxation as well as tourism for both Soviet and foreign citizens. It is proposed to prohibit the construction of new industrial enterprises or other industrial projects, or to extend existing ones, which are not serving directly the needs of persons staying in the resort area for purposes of rest, recuperation, or treatment, or serving the needs of the local inhabitants in health resort or civilian housing construction, etc. Questions concerning Crimean health resort development must be addressed today. It is suggested in this connection that one way to address this problem is to form a staff made up of representatives of all departments, enterprises, and organizations having health resort institutions or joint stock companies, whose primary task would be to plan and carry out a comprehensive plan of health resort development. At the same time, it is important to provide practical assistance in planning for the economic and social development of the Crimea with due consideration given to the development, preservation, and efficient utilization of recreational resources, to extending the range of protected territories, and to increasing the protection for unique natural surroundings. In addition, mindful of long-term predictions, it is expedient to maintain the environment of the Crimea in an exemplary condition.

Footnotes

1. See EKONOMIKA SOVETSKOY UKRAINY No 12, 1989.

2. See A. Orlov, "Avoiding Incompleteness," *Sovety narodnykh deputatov* No 11, 1989, p 37.

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**Turkmen Gosplan Chairman on 1991 Economic Development Plan**

914A0405A Ashkhabad TURKMENSKAYA ISKRA  
in Russian 10 Jan 91 pp 1-2

[Report by M. Razhapov, Turkmen SSR Gosplan chairman: "On the Draft State Plan for the Economic and Social Development of the Turkmen SSR for 1991 and the Fulfillment of the 1990 Plan"—to the Fifth Session of the Turkmen SSR Supreme Soviet, 12th Convocation"]

[Text] Dear Comrade People's Deputies:

The year 1991 will be particularly important in setting the directions which will be followed in the further development of our republic. The conversion to a market economic management system should radically change economic relations within the country, and structure them on an essentially new basis.

The current socioeconomic situation in the country makes the functioning of the national economic complex more difficult. The noted drop in output and labor productivity and the nonfulfillment of contractual obligations pertaining to commodity procurements are the main reasons for the unstable condition of the country's overall economic situation. This has also had a negative impact on the work of the republic's national economy.

However, the steps taken in the republic have made it possible to reduce to a certain extent the adverse effect of these factors. We were able to end 1990 with certain positive results.

According to preliminary estimates, the generated national income was 5.5 percent higher than in 1989; industrial output increased by 2.6 percent and agricultural output by 6.5 percent. Labor productivity rose by 2.4 percent.

Work on the further development of the material and technical base of the social sphere continued. As a result, the average annual completion of construction projects for the five-year period increased by a factor of 1.4 for housing, 2.1 for preschool establishments, 1.8 for schools, three for hospitals and polyclinics, and 3.6 for clubs.

Nonetheless, the assignments set for the five-year plan were not entirely fulfilled.

Throughout this period, plans for capital construction remained unfulfilled. The commissioning of fixed assets is systematically falling behind the plan, as a result of which the volume of unfinished construction is growing.

Preliminary data indicate that the 1990 plan for the installation of fixed assets, based on state capital investments, was fulfilled by no more than 70 percent; fixed productive capital worth 607 million rubles was not assimilated, and no more than 88 percent of appropriated capital were invested.

Despite the steps taken to improve finances, the emission of currency continued.

The economic situation which has developed in the republic seriously affects the content, objectives, and priorities of the draft state plan for the economic and social development of the Turkmen SSR in 1991. The plan was drafted in accordance with the intended conversion of the republic to market relations and is directed toward the functioning of an all-Union market. The plan was drafted on the basis of prices, taxes, and credit relations and a pluralistic form of ownership, which predetermined the new content of plans and methods for their formulation.

On this basis, the plan drafts include two groups of indicators: the first is a projection of the functioning of the national economy of the republic in 1991; the second includes indicators of the draft 1991 state plan.

The basic indicators in the draft plan are known by the deputies. Therefore, allow me to discuss its most important parameters and features.

According to the projections, the national income will increase by five percent. This pace will be achieved by increasing the volume of output and the growth of public labor productivity.

The plan calls for further improvements in the ratios which reflect public production intensification. Public labor productivity will increase 2.8 percent; it will increase by three percent in industry and construction and 2.2 percent in agriculture. The republic's profit has been projected at 2.8 billion rubles, indicating a 3.7-percent increase.

The most important problem for our republic is ensuring jobs for the population. In 1991 the pool of labor resources is projected to increase by 42,000 people.

In order to involve in public production all unemployed labor resources, the plan calls for the development of the service industry, the processing sectors in the agroindustrial complex, and the building of shops and branches of labor-intensive sectors.

More people will be engaged in cooperative and individual labor activities and in socially useful labor in private auxiliary plots.

Estimates have indicated that the implementation of these measures will make it possible to absorb the entire increase in labor resources.

The Turkmen SSR State Committee for Public Labor and the local soviets of people's deputies must steadily supervise the implementation of the population employment program and find additional job opportunities by increasing the shift coefficient in enterprises, developing cottage industries, shortening the work week, etc.

A system of measures for the social protection of the population will be implemented in 1991. Payments and benefits to the population from social consumption funds will total 294 million rubles or 15.2 percent more than in 1990.

The implementation of centralized measures to increase the wages of personnel in health care, culture, and public education will continue.

The president of the republic has approved a number of laws, resolutions, and ukases which call for additional benefits for veterans of the Great Patriotic War, soldiers-internationalists, and families of killed military personnel. Scholarships to students enrolled in higher and secondary educational institutions will be increased.

A uniform system for aid to families with children and, particularly, aid to mothers taking care of children under the age of 18 months, equal to the minimal wage, will be applied; one-time aid for giving birth to a child will be increased and the length of the paid period of time for caring for a sick child will be extended. The duration of the leave for pregnancy and giving birth will be increased by 14 days. As a result of all this, the population's income from pensions and aids will increase by 30 percent and reach a total of 845 million rubles.

With the enactment in 1991 of laws which lay the foundations of market relations, the increase in the population's monetary funds will be regulated through a tax system. The nature, methods, and amounts of wages will be determined by the enterprises themselves.

All that the state will regulate will be the minimal wage, which is considered a guaranteed payment for labor, aimed at ensuring a minimum living standard.

Overall population income, taking into consideration centralized steps to improve people's living conditions, will total 6 billion rubles or a 13.1-percent increase compared to 1990.

Population expenditures will total 5.7 billion rubles or will be 17.1 percent higher than in 1990. However, even this ratio will not balance the population's monetary income and expenditures by 320 million rubles. Taking this into consideration, the draft 1991 plan includes steps to stabilize the consumer market and to increase the production of foodstuffs, commodities, and services to the population.

The volume of output of consumer goods (including alcoholic beverages) in the republic will total 2.054 billion rubles, or a 6.6-percent increase.

The development of light industry is planned in accordance with the existing possibilities of supplying the enterprises with raw and other materials and skilled cadres.

In 1991 there will be an increase in the volume of paid services in all oblasts, cities, and rayons; however, Tashauz and Mary Oblasts lag significantly behind the average republic per capita indicators in terms of total paid and specifically consumer services. This makes a fuller use of available reserves necessary.

Compared to 1990, retail state and cooperative trade will increase by 6.8 percent and will total 3.95 billion rubles.

This will require guaranteed deliveries of goods by the republic's industry, deliveries by other republics and imports.

For 1991 as a whole, contracts must be signed for importing goods and raw materials from other Union republics, totaling 3.5 billion rubles. By 5 January, contracts for the delivery of goods for industrial-technical purposes worth 2.577 billion rubles, or 73 percent of the total, had been concluded.

The Turkmen SSR Ministry of Trade has not completed its work on contracts for the procurement of dairy products from Belorussia and the RSFSR, grain products from Kazakhstan, and groats from Uzbekistan. The Ministry of Consumer Goods has not concluded all the necessary contracts for the procurement of fabrics and leather goods for the production of consumer goods.

The situation is worsened by the fact that a trend of lowering commodity stocks in the trade system has not been eliminated. In 1990 commodity stocks declined by approximately 180 million rubles. In order to prevent any drop in output as a result of any reduced range of centralized procurements, the Turkmen SSR Gosplan must see to it that stipulated procurements of material and technical resources remain on the 1990 level.

Within the shortest possible time, managers of ministries, departments and enterprises must take steps to initial contracts and ensure the supply of the market with prime necessity goods.

The social sphere was a subject of great attention in the formulation of the draft 1991 plan. Investment appropriations for the development of this area will account for 35 percent of the overall amount of state capital investments, as compared to 32.6 percent last year.

The "Housing-2000" Program was drafted and made the foundation of planned 1991 projects. The republic's plans call for the building of housing totaling 2,019,000 square meters, or a 19-percent increase. More than 28,000 families will be able to improve their housing

conditions. The average availability of housing per resident will reach 11.2 square meters as compared to 10.8 meters in 1990.

A total of 760,000 square meters of the overall volume of housing construction will be financed out of state capital investments. We must take into consideration that last year the plan for the completion of housing financed from state capital investments remained underfulfilled by some 44,000 square meters.

In 1991, general education schools for 4,200 students and preschool establishments for 14,200 children will be completed.

In accordance with the suggestions submitted by ministries and departments, in 1991 the VUZs [higher educational institutions] will enroll 7,000 students, including 5,300 full-time. A total of 6,600 specialists with higher training and 10,700 people with secondary specialized training will complete their studies.

The plan calls for continuing the construction of the polytechnical institute and the pedagogical school in Ashkhabad and starting the construction of a new building for the Institute of the National Economy in Ashkhabad, the pedagogical school in Chardzhou, and the medical school in Mary. The building of two hostels per VUZ is planned.

In 1991, centralized capital investments totaling 115.9 million rubles will be appropriated for the building of public education projects under republic administration (excluding the APK).

With a view to the further strengthening and development of the material and technical base of medical institutions, capital investments totaling 59 million rubles will be made in this area. This represents a 70-percent increase over last year's figure.

It should be noted, the speaker said, that considering the budget deficit, great efforts are needed to find ways to increase appropriations for social construction. Nonetheless, the ceilings set for capital investments remain systematically unattained.

For example, last year alone the health care system left unused 5.5 million rubles of appropriated capital investments. The Turkmen SSR Gosstroy violated the deadline for the completion of a republic clinical hospital for 400 beds in Ashkhabad and hospitals for 240 beds in Kizyl-Arvat, and for 70 beds in Dzhang; Turkmenneftegazstroy failed to complete the oncological outpatient clinic for 75 beds in Nebit-Dag. For that reason, the Turkmen SSR Ministry of Health and the local soviets of people's deputies must ensure the strict implementation of plans for the completion of health care projects.

The further expansion of the network of cultural and educational establishments, and increases in the publication of books and journals and the number of television broadcasts and motion picture theaters are planned.

The conversion to a market economy requires the development of a market for scientific and technical output and the extensive use of the products of intellectual labor in the economy. Consequently, the scientific and technical potential will be concentrated in four priority areas, which will be included in the republic's state order.

The draft plan calls for the further development of material production sectors. The volume of industrial output is planned to increase by 2.7 percent.

The production of electric power will total 14.5 billion kilowatt hours. This will meet the needs of the republic's national economy for power resources and interrepublic transfers of electric power.

The machinebuilding enterprises will increase their volume of output by 10 percent. The construction of the Geofizpribor Plant in Sendi and the reconstruction of the Arzuw Plant in Ashkhabad will be completed. This will create about 3,300 new jobs. The plan calls for completing the expansion of the Ashneftemash plant, restructuring as a base for the construction industry of the now-mothballed plant for graphite-lined electrodes, and opening a branch of the Moscow Electrodes Plant, with a view to organizing the production of consumer goods.

The development of the fuel industry was planned on the basis of the non-recoverability of natural resources.

In 1991, the extraction of natural gas will total 84 billion cubic meters and of petroleum with gas condensate, 5.4 million tons.

The maximal use of gas by the Turkmengaztorm association will be reduced from 83.1 billion cubic meters in 1990 to 80.8 billion cubic meters. This is based on the need to conserve raw materials for the gas-chemical complex, the development of which will involve the construction of a joint enterprise with a foreign company.

Taking into consideration the scarcity of compressed gas in the republic, this year the Turkmengaztorm association will reconstruct a facility to stabilize the condensate at the Naip deposit and will undertake the production of compressed gas for consumer needs and automotive transportation.

The total amount of refined petroleum will be increased by a factor of 1.8.

The draft 1991 plan for light industry goods calls for a reduced variety of procurements to the state (to all-Union consumers) and interrepublic procurements (no more than 12 items). Capital investments totaling 106.9 million rubles will be appropriated for the development of this sector.

The plan calls for completing the building of a cotton-spinning factory in Sendi and a clothing and knitwear factory in the Dushak settlement, and the expansion of the Pobeda clothing factory in Mary; the construction of



a factory for nonwoven fabrics in Tashauz, and a factory for knitted fabrics in Iolotani will be continued; the construction of a finishing factory in Ashkhabad and a plant for the production of accessories in Nebit-Dag will be started.

The draft plan for the industrial construction materials sector reflects problems related to increasing the variety of output and the production of new progressive materials in order to ensure a better satisfaction of the needs of the republic's national economy and individual builders. The production of lining tiles, linoleum, and heat convectors will be secured; capacities for the production of 292,000 tons of cement will be commissioned.

The draft plan calls for the development of all types of transportation, roads, and communications facilities. The construction of the Ashkhabad-Tashauz highway, the Ashkhabad-Kizyl-Arvat radio relay, and the radio and television station in Gaurdak will be completed. The construction of the Ashkhabad airport complex will be continued.

The draft plan for the agroindustrial complex is based on the task of improving population food supplies in the republic and ensuring agricultural raw materials supplied to all-Union and republic consumers and to the local economy.

On this basis, the production of raw cotton will be stabilized on the level of 1,300,000 tons, as compared to 1,452,000 tons in 1990; by increasing cotton yields, this will enable us to reduce areas in cotton by 33,000 hectares and increase the area under food and animal feed crops in 1991.

The draft plan considers the development of grain growing a key project. In the next few years the republic will meet its total needs for food grain from of domestic production. In accordance with the Grain Program, the production of grain crops is planned to reach 620,000 tons, of which 264,000 will consist of wheat and rice. Respectively, this means an increase of 139,000 and 114,000 tons over and above the 1990 level.

With a view to achieving a guaranteed availability of food resources and agricultural commodities for state needs, the draft plan includes a state order for a certain number of goods. This includes deliveries to the state of 90,000 tons of grain, 1,300,000 tons of cotton, 9,300 tons of wool, 500,000 karakul pelts, 1.3 million small-sized untreated leather pieces, and 3,600 tons of silk cocoons. Whereas according to the 1990 plan said goods were allocated 100 percent on a centralized basis as state orders under Union jurisdiction, without the participation of the republic, the 1991 plan calls for contribution by the republic to the all-Union fund (to all-Union consumers and for interrepublic procurements) of 229,000 tons of cotton staple (58 percent); 7,800 tons of wool (74 percent); and 67,000 tons of vegetal oil (62 percent).

In exchange, on the basis of equivalence, the all-Union fund will supply the republic with 1,060,000 tons of grain (40,000 tons more than in 1990), of which 150,000 as flour (37,000 tons more), 60,000 tons of meat (10,000 tons more), milk and dairy products 35,000 tons (15,000 tons more), 115,000 tons of sugar (17,000 tons more), and other goods worth a total of 1.4 billion rubles.

Furthermore, in order to meet the needs of the republic's economy, state orders have been formulated for the most important types of industrial commodities, as follows: staple cotton, 162,000 tons; raw silk, 273,000 tons; vegetal oil, 41,000 tons; canned fruits and vegetables, 80,000 pieces; flour and groats from state grain resources, respectively 428,000 and 25,000 tons; and mixed feeds, 540,000 tons.

The following state orders have been placed in order to guarantee state resources for said items for 1991:

Cattle and poultry procurements, 84,000 tons; milk, 194,500 tons for processing at republic enterprises, which is 7,000 tons more than in 1990 for meat and 1,500 tons for milk;

The marketing of cattle and poultry in live weight for specialized consumers, based on orders placed by trade organizations, 2,400 tons; 8,000 tons of milk for centralized supplies to Gossnab establishments;

Procurements of eggs to the republic stock, taking into consideration supplies to trade organizations and the needs of industrial food enterprises, 220 million.

We must point out that all meat and dairy resources subject to state orders will remain on the territories of the respective oblasts.

In our view, this approach will provide conditions for the rhythmical and stable work of enterprises in the meat and dairy industry and state trade, and will increase the rights of the local soviets in handling resources obtained over and above the state order.

In order to enhance the responsibility of the local soviets of people's deputies for providing food supplies to the population on their territories, the draft plan replaces state orders simply with quotas for deliveries to the all-Union and republic funds, as follows: vegetable crops, 170,000 tons; melon crops, 177,000 tons; grapes, 57,000 tons; and fruits, 10,000 tons. Taking this into consideration, the overall volume of purchases of fruits and vegetables will be determined by the local soviets on the basis of their own needs.

The draft 1991 plan for the processing sectors of the agroindustrial complex was formulated in accordance with the planned purchases of agricultural raw materials, the reconstruction, technical retooling, and expansion of existing enterprises, the installation of new capacities, and meeting the needs of the national economy for goods produced by the agroindustrial complex.

The industrial enterprises within the agroindustrial complex will produce goods worth 4.3 billion rubles, or a 7.5-percent increase.

The 1991 draft plan for capital construction is oriented toward providing equal starting conditions in the conversion of the republic to market relations. It takes into consideration assignments based on the resolutions of the Turkmen SSR Supreme Soviet and the republic's government, aimed at improving water and gas supplies, urban and settlement electrification, the development of the processing sectors and housing construction, and improving the ecological and health situation in the Aral Sea area.

The 1991 draft capital construction plan was formulated under the conditions of a severe budget deficit. The implementation of the plans for economic and social development in 1991 presumes centralized republic capital investments of 840 million rubles (in January 1991 prices), which is 242 million rubles or 22.4 percent less than the 1990 amounts, in comparable prices.

The draft capital construction plan for 1991 stipulates a number of specific measures aimed at stabilizing the level of unfinished construction.

The regulation on paying fees for new construction of production projects (30 percent of the cost estimate) and payments for unfinished construction (10 percent of the volume of unfinished construction annually) will be an effective factor in preventing its growth, starting with 1 January 1991.

The volume of contracting work on republic territory will increase by 8.2 percent in 1991. The increased volume of contracting work will be as follows: Turkmen SSR Gosstroy, 14.8 percent; Turkmen SSR State Committee for Water and Agricultural Construction, 10.2 percent; and Turkmen Petroleum and Gas Construction Administration, 25.6 percent.

The draft 1991 plan calls for the completion of installations totaling 67,600 cubic meters; 3,685 km of water mains and 3,285 km of gas mains, which is higher than the tasks included in the program for improving water and gas supplies to settlements. Laying of 1,969 km of power cables is stipulated.

Capital investments totaling 340 million rubles will be appropriated to finance water, gas, and electric power procurements; of this amount, 138.8 million rubles (41 percent) will come from the republic budget; 71.2 million rubles (20.8 percent) from the Union budget; 117,600,000 rubles (34.6 percent) from kolkhozes; and 11,900,000 rubles from enterprise funds.

A total of 1.28 billion rubles from all finance sources will be invested in the development of the agroindustrial complex; of this amount, centralized state capital investments will total 426,600,000 rubles (in 1991 prices).

A total of 69,600,000 rubles of capital investments from all financing sources are included in the draft 1991 plan

for the implementation of the tasks stipulated in the Program for the Development of Processing Sectors in the Agroindustrial Complex in 1991-1995. An additional 32,200,000 rubles in capital investments will be used to complete initiated projects in the processing sectors not included in the program. As a whole, investments in the processing industries will be higher by 53,400,000 rubles compared to 1990. In 1991 the processing sectors are planning to start the building of 81 projects.

The implementation of this program will make it possible substantially to improve population food supplies and the employment level.

Steps must be taken by the Turkmen SSR Gosagroprom and the local soviets of people's deputies to supply when required the construction projects with cost-estimate documentation, financing, and technological equipment, and the establishment of a firm raw-material base for commissioned capacities.

Referring to the fourth session of the Turkmen SSR Supreme Soviet, the speaker emphasized that the ecological and health situation in the Aral zone is worsening catastrophically. In order to resolve the pressing problems, the Turkmen SSR Gosplan formulated a program of urgent priority measures to restore the ecological situation and to improve the living conditions of the population in the Aral zone. According to this program, in 1991 the republic will receive 189 million rubles for state capital investments from the Union budget as well as material and technical resources obtained on a centralized basis.

Furthermore, 56 million rubles will be invested by the republic ministries and departments in the construction of industrial projects in the Aral zone. Material and technical resources for such purposes will be allocated on a centralized basis.

Together with the Union organs, the republic has resolved in principle the question of applying a rayon coefficient for wages, pensions and aids in the Aral zone. A total of 92,200,000 rubles will be appropriated for such purposes, 18,400,000 of which will be contributed by the Union budget.

The 1991 plan for material and technical procurements takes into consideration the conversion of the republic to market relations, which will significantly reduce the range of centralized allocation of resources and broaden the autonomy of enterprises in acquiring and marketing goods on the basis of direct economic ties.

With its resolution: "On the Basic Principles for the Formulation of the 1991 Plan," the USSR Council of Ministers established the priority areas of material and technical resources allocated on a centralized basis, including the social area, the agroindustrial complex, light industry, housing and communal projects, the construction industry, the construction materials industry, and targets included in the Aral program.

In these areas the supply of resources will include 13 basic types (rolled metal, steel pipes, cement, shingles, radiators, linoleum, bathtubs, ceramic hygiene goods, nonceramic glazed tiles for lining interior walls, pane glass, parquet flooring, and cables). The remaining amount of work performed by the individual sectors, such as roads, communications, trade, science, printing, local industry, and others, must be done with resources based on direct relations.

The implementation of programs for water, gas, and power supplies greatly depends on supplying construction projects with pipes. The situation in this area is developing in such a way that out of the 3,685 km of water mains stipulated for construction purposes, 1,724 km (47 percent) will be procured on a centralized basis, as will 1,350 km (41 percent) of the 3,285 km of gas pipelines. The balance will be secured with on the basis of direct relations.

Production and current needs, including the production of consumer goods and providing paid services to the population will also be secured with resources based on direct relations.

Timber will be procured on a centralized basis only for the needs of the APK and the Aral Program.

Under these circumstances, the procurement of resources becomes a difficult task which, however, must be carried out through the joint efforts of the Turkmen SSR Gosstab, Gosagroprom and Gosstroy, and other ministries and departments and executive committees of local soviets of people's deputies.

Under the conditions of a conversion to the market, foreign economic activities must meet qualitatively new requirements. Within the framework of economic autonomy, the republic will be given the possibility of making efficient use of its own foreign currency resources. The setting of quotas and licensing exports and imports, other than for goods included in the all-Union state order, will also be carried out independently by the republic.

As a result of the work of Union organs, a number of problems of major importance to the republic's economy in 1991 have been solved. For example, the republic will receive the foreign exchange from exporting 2 billion cubic meters of natural gas. A positive solution was found to the problem of allocating to the Turkmen SSR Ministry of Consumer Goods foreign currency worth 13,200,000 rubles. Further discussions are being held on streamlining foreign exchange relations and increasing future exports of 150,000 tons of cotton staple, 30 billion cubic meters of natural gas, and 1.5 million tons of petroleum and petroleum products and obtaining a share of the loans granted by Spain, Italy, Germany, France, and other countries.

The positive solution of these problems will make it possible to obtain additional financial resources needed for strengthening the material base of the social area, and

for the purchasing of raw and other materials, and of equipment for the processing sectors of the agroindustrial complex.

Active efforts are being made in the republic to establish mutually profitable contacts with foreign countries, including the establishment of joint enterprises.

In conclusion, the speaker noted that, as a whole, the draft 1991 plan takes into consideration the necessary prerequisites for the establishment of market relations in the republic and provides true guidelines for each national economic sector. Intensive and purposeful work lies ahead. Ministries, departments, and enterprise managers must create conditions for highly productive labor by the collectives for the successful implementation of all assignments.

### **Ukraine: Coupons Have Not Helped Consumers**

914A0434A Moscow TRUD in Russian 29 Jan 91 p 4

[Article by TRUD correspondent M. Yurchenko: "Couponization: What Was the Effect of 'Market Protection Measures' in Ukraine"]

[Text] Kharkov—On a recent program on the "Good Evening, Moscow!" television channel [telekanal] V. Karnaukhov, deputy chairman of the Moscow City Soviet Executive Committee and general director of the Moscow Trade Administration, advocated the introduction in the capital of the so-called "coupon" system of goods distribution. He named, as an important point in favor of this, the experience of the Ukraine, where coupons had somewhat relieved the stress on the consumer market. Other republics, oblasts, and cities talk with increasing insistence about this sort of introduction of their own "currencies." What do coupons really do for consumers? Let us try to sort it out, using the example of the Ukraine, and in particular, Kharkov.

Let us remind the reader that in Ukraine coupons do not replace money; they serve only as a "voucher" that permits the purchase of most goods in the state retail stores. The buyer pays for the goods with rubles and coupons, with the same face value, together. Since November, coupons have been issued exclusively to Ukrainian residents, in amounts that constitute 70 percent of their salary, pension, etc. Savings are not matched by coupons. Thus, the system "ties up" the savings (almost nothing can be purchased now for "extra" money, except perhaps on the market), and prevents the siphoning off of goods from the republic. In the final count, this should have led to abundance on the store counters. The interests of consumers who live exclusively on their salaries would not be negatively affected, or so the system creators thought.

Is I. Semenov, a resident of the Ukrainian city of Lozovaya, happy with the coupons? "As a war veteran," he writes to us, "I have been on a waiting list for a refrigerator for two years. In the end of December my

turn came, but all I had was the 70 coupons I received with my 100-ruble [R] pension. Where am I to get the rest?"

A wave of similar letters and telephone calls became a hallmark of November—the month when the republic Council of Ministers' resolution "On Protection of Consumer Market in the Ukrainian SSR [Soviet Socialist Republic]" became effective. Protection from who? I am searching for an answer in the figures of the Ukrainian Ministry of Trade: in the RSFSR [Russian Soviet Federated Socialist Republic], merchandise sales in November increased by 17 percent; in Belorussia by 22 percent; across the country as a whole by 14 percent; and in the Ukraine by 2.1 percent. In Kharkov Oblast this indicator was brought to five percent. For the first time in the last few years it became possible to restrain the monthly decrease in trade inventories. Sales of sausage, cereal grains, alcohol, radios, and other goods somewhat stabilized.

The figures are supposed to convince us that the introduction of "coupon rights" has brought panic buying under control. Does this mean that the population actually saw "overflowing" counters? Not at all. Consumers remain in a state of distress and stubbornly refuse to see the abundance of galoshes in the stores as a wide assortment of footwear.

Many oblasts in the Ukraine imposed "extraordinary situation" status in mid-November. For half a month before that, many stores (which included absolutely all non-food consumer goods stores) had been closed for a so-called inventory-taking. Through incredible efforts of soviet and economic organs the population was "couponized" even later—some had not managed to print coupons in time, and some were late in getting them to the enterprises' payroll departments, to the postoffices, and the soviets' executive committees. Then came time-consuming lines at the cashiers and the chaos caused by the issuance of instructions that contradicted each other. Finally, the consumers received personal "consumer books," but the sums of coupons they contained turned out to be less than the price in rubles for many desirable goods.

Other reasons caused the decline in merchandise sales, too. For instance, sales on installment credit were banned. Local authorities issued an order to sell goods only through advance sign-up lists, which means that time is lost in putting these lists together. And here is an illustration of "stabilization" in alcohol sales. To buy a bottle in Chernigov, one must have: money, a ration coupon for wine or vodka, a coupon, and... a clean empty bottle of corresponding size for exchange.

I will dare to offer this assumption: it is premature to draw conclusions that decreased merchandise sales in November are proof that panic buying is fading away. As to the abundance of retail goods a month and a half after the introduction of harsh distribution measures, here are the facts. According to preliminary data from the

Kharkov City Executive Committee, in exchanging November books for those that will be in effect until the end of the six-month "couponization" period, pensioners turn in up to 80 percent of unused coupons, and enterprise workers up to 60 percent. Are people economizing? Partially, yes. After all, they have to save money for that same refrigerator. But to a large degree this is happening because the refrigerator will be available only in two to three years, and nothing else can be purchased with this "home grown" currency now.

One cannot help but think: What is this all for? The restrictions that befell the consumer are not compensated for in any way. Really, if we call things their proper names, coupons have restricted the people's personal freedom to spend what they earn, and to dispose of their property—something that nobody ever had dared encroach on before. And what is on the other side of the scales? Before the measures for protection of the consumer market in the Ukrainian SSR were introduced, the argument was: the accumulated monetary mass in the population's hands exceeds the value of goods inventories; therefore, "extra" money should be "tied up." But not every "fat cat" will buy a personal computer, while even people who are not wealthy want to buy a color television set. They will borrow money, but they will buy it.

TRUD has already provided coverage of the "coupon" riot in Kharkov. Recently, the building of the Dzerzhinskiy Rayon Executive Committee was attacked. Unknown trespassers threw bricks and pieces of cinder blocks through the windows, and broke the windows and window frames. They accompanied their actions by shouts protesting the coupons. This happened despite the fact that the services involved in issuing and exchanging coupons work efficiently. Since the day of this attack, V. Dulub, chairman of rayon executive committee, carries means of individual protection in his coat pocket...

### **Economic Sovereignty To Benefit Yakutia**

914A0420A Moscow SOVETSKAYA KULTURA  
in Russian No 6, 9 Feb 91 p 2

[Novosti Information Agency report: "Returning to Life—On the Benefits of Sovereignty"]

[Text] Yakutia is usually compared to a beggar who is sitting on top of gold and diamonds. Indeed, the natural wealth of this region is incalculable: gold, diamonds, tin, iron ore, oil, coal, timber, furs. But there is a paradox in the fact that people here are worse off than in other regions of the country.

It is envisaged that the economic sovereignty of the republic declared by its Supreme Soviet will facilitate transformation of Yakutia into a harmoniously developed region. From this time forward it will be master of its own land, to include its gold and diamond deposits. Union and Russian enterprises may engage in their

exploitation only upon consent of the Yakutia government. In this regard, payment for natural resources will flow into the local treasury. Also envisaged to benefit the republic is the allocation of part of the currency proceeds from export sales of its production.

Sovereignty is also affording Yakutia freedom for foreign economic activity and for organizing joint enterprises with foreign firms. They will be engaged not only in the extraction and processing of raw minerals but in creating social infrastructure facilities (through construction of roads, housing, schools, hospitals, kindergartens) and resolving ecological problems as well. Quite a number of tempting propositions have already come in from foreign firms with respect to organizing such mutually beneficial cooperation.

In the opinion of scholars, the accomplishment of a complex of measures directed towards consolidating economic sovereignty will permit Yakutia to resolve many socioeconomic problems and create living conditions for the people which are worthy of this "diamond" republic.

#### **Moldova's Economic Weaknesses Discussed**

914A0433A Kishinev SOVETSKAYA MOLDOVA  
in Russian 10 Jan 91 pp 1-2

[Article by Candidate of Economic Sciences M. Poysik: "Economics Rather Than Commands Will Set the Course"]

**[Text] Is the Union Treaty to be or not to be? What should its content be? This is the stumbling block over which the convictions and emotions of many parliamentarians, scientists, lawyers, and other representatives of our society, in which passions are boiling over, have clashed. No matter how intoxicating the feeling of freedom is, today's realities compel us, economic functionaries, to immediately come down to our imperfect earth. Political sovereignty, which so many people have locked horns arguing over, turns into hollow twaddle if viewed apart from economics.**

As recently as three or four years ago, we could quite frequently hear and read about the harmonious and steadily developing national economic complex of Moldova, as well as similar complexes in other Union republics. However, as soon as interrepublic links began to be severed, hard times set in for many labor collectives.

It turns out that what we have is a far cry from the harmonious development of the republic complex. Let us look at machine building. At present, it amounts to a set of enterprises that are firmly linked by cooperative relations to enterprises of other Union republics, but not tied to one another in any way. In particular, nine enterprises of the electrotechnical industry reporting to the same Union ministry are located on the territory of Moldova. It would appear that they belong to the same industry; yet, cooperative relations among them are close to none even within the framework of the same ministry.

In addition, their research support facilities are located outside the republic. If the umbilical cord is cut they will be brought to their knees.

We have quite a few enterprises of the Union Ministry of Automotive and Agricultural Machine Building. The Kishinev Tractor Plant, the Kishinev Production Association Plodselkhoz mash, and the Beltsy Production Association Moldsel mash are the largest among them. They also work virtually independently of one another. They are tied to enterprises from beyond the borders through production sharing. This is, in general, a normal situation in the context of civilized interstate relations, despite the fact that a number of enterprises were clearly built in the territory of Moldova in error.

However, what is important for municipal organs of administration? It is the rational availability of jobs and stable intake of taxes on enterprises, the size of which is commensurate with the efficiency of their operation. It is participation by enterprises in the construction of housing and other social infrastructure, as well as a careful attitude toward the environment. It is everything that ensures improvements in the collective health of the nation.

Given the supremacy of regional ambitions over economic feasibility, which is being whipped up now, the current condition of machine building presupposes very heavy dependence on external factors and, therefore, economic instability. Changing production lines is a very costly endeavor. Besides, its feasibility should be assessed thoroughly in every specific case. It is associated with winding down production in one way or another. This will leave tens of thousands of people out in the street. Just about any kind of unemployment benefits will further exacerbate the crisis of our economy, given the current budget deficit.

Seven decades ago, our fathers and grandfathers did raze "everything to the ground" once. At present, few people find "the new world" that we kept building all the time satisfactory. They say that a radical reconstruction has begun. Unfortunately, so far it has been largely marked by destructive tendencies. It appears to me that this is due to a failure to understand the economic situation that the republic is facing.

I have already written about our republic importing 4.5 times more goods than it exports (evaluated in domestic prices) in SOVETSKAYA MOLDOVA on 23 November of this year in the article "Where Do You Get a Billion?" The annual differential between exports and imports comes close to one billion rubles [R]. Given the projected national income of R8.8 billion this year, it becomes obvious that this amount is simply excessive. Worse yet, the government of the Republic does not yet have an effective program to reduce this deficit substantially. Our intellectual potential has not been really tapped in order to resolve this issue either.

However, this is just one of the many economic problems of Moldova. Strengthening the position of the

republic in the Union market is a more important, priority problem. What are we shipping into the republic this year? These are, first of all, energy carriers, in the absence of which everything would grind to a halt: coal—5.9 million tons worth R170 million, gasoline—867,300 tons worth R172 million, diesel fuel—1.2 million tons worth R146 million, natural gas—4.1 billion cubic meters worth R98 million, and many other items.

Judging by present shortages, we may safely conclude that these amounts are highly inadequate. Naturally, we would like to have more. However, what can we provide in return? Let us look at our agro-industrial complex as an example.

It is planned to ship foodstuffs and raw materials worth R3.4 billion out of the republic in 1991, and to ship in R1.5 billion's worth. A positive balance will come to about R1.9 billion. However, there is a hidden problem here. Next year, prices for energy carriers, metal, and so on will draw closer to the level of world prices (at present, they are substantially lower). Meanwhile, prices for our foodstuffs and agricultural raw materials are several times higher than their world levels. As a result, shipments out of the republic will amount to only R670 million in world prices rather than R3.4 billion. For example, the average world price for a ton of meat is R850, whereas we propose to sell it for R5,851, for fruits and berries R210 and R750 respectively, and for vegetables R110 and R435 respectively. The ratios are the same for wine materials, champagne, cognac, tobacco, and many other items.

Now let us put ourselves in the place of the residents of Tyumen Oblast. Having sold oil abroad for convertible currency, they will be able right away to purchase abroad, with the proceeds, five times more foodstuffs than by trading with Moldova. Also, quality will be much better than ours, nitrates and pesticides included. The bulk of industrial products are likewise not competitive. The problem is the same: quality and prices.

Therefore, our position in the Union market is quite unstable as well. A fundamentally new strategy and a flexible tactic are necessary in this area. This strategy needs to be developed within a very short period of time. Procrastination threatens to plunge the republic into the most severe crisis, the magnitude of which is impossible to predict.

Two or three specific priorities, by means of which we will consolidate our position in the Union market substantially and improve the financial status radically, should be the main element of the new strategy. Priorities that are now being offered—the agro-industrial complex, machine building, and so on—are extremely amorphous; besides, Moldova clearly does not have enough funds. The priorities should be narrowed down and made more specific.

Proceeding from the principle of self-reliance, above all else we need to secure the types of final competitive

products that could improve our financial standing substantially. We should observe the following principles: the availability of a scientific, testing, raw-material, and production base, potential opportunities for their development, the minimal pool of trained cadres, and maximum returns on the funds invested.

All of these qualitative parameters are present in the grape-and-wine and tobacco subcomplexes. We have virtually all of these complete prerequisites for augmenting considerably the production of champagne and sherry, especially strong sherry, cognac, and American-type flavored and scented cigarettes. Champagne alone may yield several billion rubles in turnover taxes.

We should pursue an active policy of placing our enterprises in the territory of republics producing raw materials. For example, Moldova does not have the necessary amount of sand and other components for manufacturing glass (champagne bottles, etc.). Therefore, it is feasible to build both a glass plant and a secondary wine-making plant where they have sand. Of course, we will have to share profits with local authorities. However, we will have a guaranteed market for sales because the local authorities will strive to ensure the most preferential regimen for our joint production.

Therefore, it is feasible to review the need for the Union treaty and its contents, taking the problems raised here into account.

We are embarking on a long and difficult journey. In the future, our actions and their results will be increasingly driven by economics rather than commands.

## INTERREGIONAL, FOREIGN TRADE

### Ukraine, Tajikistan Sign Economic Accord

914A0410A Dushanbe *KOMMUNIST*  
*TADZHIKISTANA* in Russian 23 Dec 90 pp 1,2

[Ukrinform-TadzhikTA report: "Ukraine, Tajikistan Strengthen Ties"]

[Text] Kiev, 21 December—An important step on the way to the new Treaty of the Union has been made by the Ukraine and Tajikistan. At the Mariinskiy Palace in Kiev today, representatives of the two republics concluded an agreement on economic and cultural cooperation during the period 1991-1995. The document was signed by V. P. Fokin, chairman of the UkSSR Council of Ministers, and K. M. Makhkamov, president of the TaSSR.

Against the background of economic ties and trading relations that have developed between the two republics, arrangements have been made for both republics to maintain production deliveries in 1991 at a level no lower than that of the preceding year. It is noteworthy that current price lists will be used in making deliveries at agreed-upon prices (in Soviet rubles) acceptable to both sides. The necessity is recognized of establishing a joint working commission for the purpose of drafting a

program of economic and cultural cooperation in order to provide for the further development of these ties on a basis of equality and mutual benefit.

"The heated debates and arguments now taking place with regard to the new Treaty of Union actually do not reflect the true balance of forces in the country," said V. P. Fokin after signing the agreement. "The very fact of concluding this agreement between the two Union republics reflects one of the basic elements of the Treaty of the Union since it stands for friendship, partnership, and fraternal union. We have reached agreement with the Tajik delegation on everything, including sensitive issues. The Ukraine will deliver to the Central Asian republic primarily manufactured products, buses, and agricultural equipment, as well as, naturally, the usual produce—meat, sugar, and other items. From Tajikistan, in turn, will come cotton and textiles, as well as manufactured goods, especially for retail purposes, and a number of other commodities."

"Today's agreement opens up broad opportunities for extending friendship and cooperation between our republics," K. M. Makhkamov emphasized. "From now on we shall be dealing directly with each other. Previously, when unloading some kind of commodity, our workers had no clear idea whom it was for. The establishment of direct ties between enterprises will help to eliminate this absence of personal commitment. A bright future is also in prospect for collaboration with the Ukrainian Academy of Sciences, which enjoys an outstanding reputation among Tajik scholars. We are interested in coordinating efforts to establish joint undertakings and in putting to use for this purpose the growing supply of labor that is available in our republic."

Present at the signing of the agreement were V. D. Gladush, deputy chairman of the UkSSR Council of Ministers; V. Yu. Pekhota, business manager of the UkSSR Council of Ministers; as well as other officials. Representing the Tajik SSR were T. N. Nazarov, first deputy chairman of the TaSSR Council of Ministers; ministers A. A. Abdulladzhonov and O. K. Katayev; among other members of the republic delegation.

In honor of the guest delegation, an official dinner was given by the Government of the Ukrainian SSR.

On the same day, the delegation of the Government of the Tajik SSR, headed by republic President K. M. Makhkamov, departed from Kiev.

### **Tatarstan to Sell Oil Abroad**

*91P50106A Moscow VECHERNYAYA MOSKVA in Russian 18 Dec 90 p 1*

[Unattributed report]

[Text] Kazan. First Deputy Chairman of the USSR Council of Ministers Lev Voronin signed a regulation giving Tatarstan the right to sell a million tons of oil

abroad in the first six months of the upcoming year. The amount of money earned—approximately 200 million dollars—will be spent on the acquisition of equipment for the food and processing industries and also for public health.

## **PRICES, BUDGET, FINANCES**

### **Moscow Price Hikes Declared Illegal**

*914A0453A Moscow SELSKAYA ZHIZN in Russian 15 Feb 91 p 4*

[Report by V. Goncharov, deputy chief of the USSR State Committee on Prices summary economic section for pricing in the agro-industrial complex: "They Are Raising Prices Arbitrarily"]

[Text] The USSR State Committee on Prices is receiving many complaints from workers regarding the sale of foodstuffs in Moscow at prices significantly above state retail prices. Thus, for example, eggs are being sold at 2.50 to 3 rubles [R] for 10, sunflower oil at R7 a liter, beef at R7 to R10 a kilogram, and so forth.

We state with a proper sense of responsibility that state retail prices for foodstuffs have not been raised. Sales of foodstuffs in the capital at elevated retail prices are taking place in accordance with the 14 August 1990 decision No. 1433 of the Moscow Soviet Executive Committee and instructions No. 49-R dated 15 January 1991. These were adopted in violation of existing procedure for the delineation of power between Union and republic governments and executive committees, disregarding social protection for the public in the city by way of compensation.

These decisions of the Moscow Soviet are at variance with instructions No. 52-R of the republic government dated 22 January 1991, which provide for the sale of foodstuffs only at state retail prices henceforth, pending special instructions.

The USSR State Committee on Prices has repeatedly stated that it has assumed a principled stance with respect to the need for centralized reform in pricing, with full compensation to the public for expenses associated with increased prices for basic foodstuffs and essential goods.

Price increases without compensation in particular parts of the country, including Moscow, are evoking the justified indignation of the public and providing incentive for speculation and uncontrolled price increases because even foodstuffs received by the state by way of imports are being sold at so-called "contract prices."

The USSR State Committee on Prices believes that increases in state retail prices for basic foodstuffs without compensation under the guise of contract prices is illegal, and that decisions opening the door to direct robbery of the public should be immediately rescinded.

## AGRO-ECONOMICS, POLICY, ORGANIZATION

### VASKhNIL Academicians Discuss Land Reform

914B0085A Moscow ZEMLEDELIYE in Russian  
No 12, Dec 90 pp 2-7

[Article by V.G. Pinegin under "Course of Perestroika" rubric: "How to Carry Out Land Reform? (Notes from the VASKhNIL Meeting)"]

[Text] In the spring of 1990, the third session of the USSR Supreme Soviet passed the "Bases of Legislation of the USSR and Union Republics on Land." Since that time, the new All-Union law has had a tremendous revolutionizing influence on our society, eroding the pseudo-socialistic stereotypes on the absolute primacy of public (degenerating into state) ownership in agriculture and preparing the preconditions for a reversal in the consciousness of people.

But these Bases include only general positions and principles for the restructuring of land relations. A mechanism for their realization needs to be worked out in legislative acts of the union and autonomous republics. By September of this year, the parliaments of Uzbekistan and Kirghizia had already passed republic laws on land and a decree on land reform was in effect in Latvia. In other republics, they continued to discuss draft codes and laws on land and it obvious that by the time of the release of this issue of our journal the parliaments of many other republics also were able to adopt basic documents on land in the course of their fall sessions.

But land reform in our country is not, of course, limited to this and long and difficult work lies ahead to work out a dependable regulating mechanism for land relations taking into account the radical economic reform being carried out in the country. The essence of this work is in the overcoming of the monopolistic state ownership of the land and the absolute predominance of the free use of land and in the transition to a multistructural economy on the basis of the ownership of the land or its leasing by citizens of the USSR, cooperatives, kolkhozes, sovkhoses, and other agricultural enterprises. They are introducing land ownership based on payment and land owners are becoming more responsible and interested in the rational use of the land. The soviets of people's deputies at different levels are implementing the functions for administration of the land, which from now on is the property of the people living in the given territory.

**How to ensure the reasonable implementation of these general principles and how to carry out land reform?** The participants in the meeting of the VASKhNIL [All-Union Academy of Agricultural Sciences imeni V.I. Lenin] that was held in Moscow in September tried to answer these complex questions. It is necessary first of all to have a precise scientific program for the accomplishment of land reform and the resolution of the crisis in agriculture, declared VASKhNIL President A.A.

Nikonov in opening the presidium meeting, whose members were given a draft concept for land reform prepared by the working group of VASKhNIL academician A.N. Kashtanov. Our previous fluctuation from one extreme to another is explained precisely by the fact that in developing an agrarian policy we forgot to consult with scientists and to clarify all points of view. We no longer have the right to remain uninvolved. In the resolution of acute questions on future land relations, equally unacceptable are the narrow technocratic approach of "conservatives," who essentially are striving to leave everything as it was, and the appeals from the "left flank" for absolutely unrestricted freedom that in reality is anarchy. It is necessary to look for reasonable compromises.

**What does the initial experience in implementing the new All-Union Law on Land indicate?** This was the subject of the address of E.N. Krylatykh, corresponding member of VASKhNIL. There is presently discussion of the draft republic codes on land developed on the basis of the union law. Here as well, we saw the unpreparedness of our legislators for serious law-making. In the draft code of the Russian Federation, for example, even at first sight one could find no less than five legislative "traps" that may block the way to the development of peasant farms. It is obvious that the All-Union academy needs to present itself to legislators as an expert on the draft laws. Otherwise we may expect confusion and the loss of time that is valuable as never before.

In general, with the adoption of the union law, there was a significant revival of work to establish peasant farms. Their number in the country increased by more than 20,000 and reached 29,500 as of 1 July of this year. But this process is taking place extremely unevenly; most of the farmers are operating in the Baltic republics, whereas there are practically none in Tajikistan, Moldavia, or Turkmen SSR. Here we are seeing that the Bases of Legislation are not a law for direct action and the local soviets, referring to the absence of republic codes, could not undertake anything. True, the union law was a good help to those wanting to take action. In many regions of Russia, Georgia, and other republics, they began to restructure land relations without waiting for republic codes. Unfortunately, there are very many more examples of the unpreparedness and incompetence of local soviets or even of their direct opposition to any changes in the "status quo."

Nevertheless, said E.N. Krylatykh in summary, there are fewer and fewer people who have to be convinced of the need for "private" ownership of the land.

**What stages must the land reform pass through?** In the first place, it is necessary to hurry up and finish the work on republic codes and ensure a good theoretical and legal study of all questions in the reform. There must be no sitting around in this stage! The second stage is that of the conclusion of the recording of all lands (and not just those in use) and of their transfer to the soviets. The third stage is that of redistribution itself. According to



our forecasts, declared E.N. Krylatykh, the land redistribution will affect no less than six to seven percent of all lands under unfavorable conditions (strong administrative curbs, poorly developed documentation, etc.), 12-15 percent under average conditions, and 20-25 percent under favorable conditions. The right to own land must be certified by a special act and must definitely be accompanied by a new system of land use measures. A spontaneous development of events is inadmissible here, for it can lead to deplorable results. And only after this will it be possible to begin the fourth stage—the assimilation and adjustment of a new economic mechanism for land relations, the introduction of payment for land, and the application of various standards, incentives, punitive measures, etc.

**How long will the land reform take?** In some republics, clearly, it will be possible to get it done in three to four years and in some places it will require 10 to 15 years. Above all a special office is needed to accelerate its implementation. Such a central office is already in operation in the Russian Federation and they are coming into being in other republics as well. In the local soviets, special commissions of deputies must carry out the reform.

**It is necessary to prepare for an increase in social tension,** declared E.N. Krylatykh. In the democratic implementation of the land reform itself, there will certainly be those who are "offended." She proposed that some thought be given to the establishment of a social monitoring service, which would study the mood of the people with respect to the realization of measures, forecast the appearance of centers of social tension, and inform the government of this in time. Such a proposal can only be welcomed. Our life is full of examples of the great harm that can be done by the inability of bodies of authority to look even a little bit forward in forecasting the reaction of people to their decrees....

**The situation in which we find ourselves requires radical measures,** declared A.Z. Rodin, director of Roszemproyekt. He presented the depressing results of the most recent round of stock-taking of lands in Russia. Whereas in 1975 it was necessary to write off 3.2 million hectares of land in the Russian nonchernozem, this year it was four million hectares. In comparison with 1940, Russia is short 24 million hectares of farm lands, including 6.5 million hectares in the nonchernozem zone. This is the direct result of the former farming methods.

In drafting a republic code, we went further than the All-Union Bases. We are proposing the development not only of different forms of land management but also of different forms of land ownership, said A.Z. Rodin. For the citizens of Russia, it is foreseen that there will be not only lifetime inheritable possession of the land and leasing of it but also its acquisition for peasant and private subsidiary farming, the building of a house and garage, and collective horticulture. This will not harm socialism.

The draft of the Russian code also examines in rather great detail the ways for citizens to leave kolkhozes and sovkhozes and to obtain land for "individual" farming. It is only necessary to coordinate the location of the personal plot with the labor collective of the public farm.

How specifically can the "black partition" be carried out? A.Z. Rodin spoke out against the procedure proposed by many scientists and public figures, that of declaring all former landowners and users temporary and later beginning the reallocation of land to everyone. Such a course, in his opinion, will create great social tension. Essentially tens of thousands of them will be facing mistrust and in the expectation of the issuance of new documentation they may reduce production dramatically. But it will not be possible to provide new documents for everyone. That may take years. An unpredictable situation may arise in the autonomous formations of the North Caucasus, where historically there has been a great deal of tension in land relations.

Still, despite all the radicalism resulting from life itself, the kolkhozes and sovkhozes will remain the primary land users in the short term. According to our forecasts, 10 to 15 percent of the land now in use by kolkhozes and sovkhozes will be required for the establishment of peasant (farmer) holdings and the expansion of private subsidiary plots.

A.Z. Rodin wanted the committees for land reform to rely less on methods of force and administration by injunction and to write fewer books. The main thing in the work ahead is to observe the well-known Leninist requirement not to permit the humiliation and insulting of peasants and to put them freely in charge of the land.

But in the draft land code for the Ukraine, we did not give full ownership of the land to citizens, said one of those who drew it up, L.Ya. Novakovskiy, director of the Ukrainian Scientific Research Institute for the land project, but possibly we will be "corrected" by the representatives of the People's Council, Peasant's Party, People's Movement, and other mass organizations in the Ukrainian SSR Supreme Soviet. Their programs include points on the transfer of the land to private ownership by citizens.

In arguing with those who drew up the land codes of Russia and other union republics, L.Ya. Novakovskiy touched on several very acute questions in land reform. He called it a mistake to propose that citizens redeem the land for the establishment of peasant farms and the building of garages and so on. Our people have already been reduced to a state of semipoverty by low wages (in comparison with world standards) and by the high prices for cars and other things and one cannot demand that they also pay for what ought to belong to them by right.

The independence of peasant farms has so far only been declared and does not exist in practice. It is for this reason that the peasants on the good Ukrainian chernozem lands are in no hurry to establish farms. They do not believe the authorities. Only a few dozen peasant

farms have been allocated in the entire huge Ukraine and in many oblasts there are no applications for the granting of land.

L.Ya. Novakovskiy also criticized those who drafted the Russian code for the fact that they are permitting the right to dispose of the land to be granted not only to the soviets but, in a number of cases, also to executive bodies, thereby "eroding" the principle of the sovereignty of the soviets that is affirmed by the All-Union Bases.

**Also by no means simple is this question: How much land should be allocated to private subsidiary plots?** For the time being in the Ukraine, their actual average size is .32 hectare but there is an active process under way to enlarge them. And there is no need to hinder this process. In the draft, declared L.Ya. Novakovskiy, we set forth an average size of two hectares. We calculated that if the area in private plots is just doubled, then the food problem in the republic will be completely eliminated with no painful reorganization of land use. We will seek an expansion of the private plots of citizens and of all other forms. The people themselves are "voting" for such simple solutions—Why repudiate them?

In the opinion of L.Ya. Novakovskiy, one must not "offhandedly" declare the collectives of sovkhozes and kolkhozes to be owners of the land. Many of them had 800 to 1,000 members at the time when they were established and allocated land, whereas now they have just 15 or 20. He also proposed that consideration be given to **granting the soviets not just the legal but also the actual right to dispose of the land.** This is not yet the case and the workers of the soviets are forced to induce the managers of kolkhozes, sovkhozes, and forestry establishments to allocate land. Clearly an All-Union document must be passed in this regard. For neither the Ukrainian agro-industrial committee nor the newly established Ministry of Agriculture and Food of the RSFSR are directly interested in carrying out land reform. The party bodies have moved away from economic matters and the soviets are not yet able to take them on effectively. The peasants, as before, remain dependent hired workers and for this reason they do not believe in anything new.

S.I. Nosov, director of the State Research Institute for Land Resources [GIZR], suggested that in the scientific support of the land reform one **not confuse urgent matters and long-term questions that, in a manner of speaking, one can "grow into."** At the present time, it is more important to think through everything having to do with the paid nature of land use and land ownership, then questions in the redistribution of the land, and after that—without losing time—resolve a group of questions with respect to land conservation and ecology. The resolution of the questions about payment is based on the information in the land cadaster and prices for land—we have thorough studies on both. It is also necessary to bring other "tactical" documents—draft acts for the possession and use of land, various contracts,

land cadasters for peasant farming, and others—"to mind" and present for confirmation by higher state bodies. It is now time to calculate a land tax as applied to different farms, even "descending" to individual contours. Also, to formulate scales for the earning power of lands as a function of their quality—they will soon be needed.... **Calculations by the GIZR show that the tax per hectare of agriculture land must average around 30-40 rubles [R] and about twice that per hectare of tilled land.**

S.I. Nosov declared that a significant part of the measures for land reform may be carried out based on the previous information base accumulated by land managers. One does not have to "invent the bicycle" here. But all prevailing materials on land management methods, beginning with general schemes, will have to be revoked or radically revised. They were formulated under the conditions of strict centralization and the "release" of plans for the production and sale of agricultural output from above and are no longer suitable. **The time has come to return common sense to land management, to begin by determining the potential of the land and its suitability for the cultivation of particular crops and to change the specific aim—the "supreme task" must be to ensure the conditions for raising the fertility of the soil.**

In short, land management must finally become an instrument for establishing and maintaining real order on the land and not for the fulfillment of plans "from what has been achieved" contrived in the guiding offices. For with the previous distorted land management we reached the point where the tilled land now includes no less than 20 million hectares of untillable lands! Our chernozem lands are overtilled and for this reason the huge resources put into land conservation cannot be effective. The market will not permit such waste and sooner or later it will be necessary to convert tilled lands into meadows or forests.

**Land reform in Latvia** was discussed by A.Ya. Boruks from the republic Farming Research Institute. Last year in Latvia, they established a working group on land reform, which drafted basic documents. So far the only one that has been adopted is the government decree but even it contributed to the rapid development of the work, in particular the establishment of peasant farms. There are already 7,000 of them in the republic, one-fourth of the number in the entire union. It was even necessary to suspend this process for 1 year but they are continuing to accept applications and land commissions have been set up at all levels of Soviet authority to review them. There are still a great many people wanting to receive land and farm it.

In Latvia, it has been decided to carry out reform on the basis of the information in the land cadaster of the 1930's. It has been carefully taken from the archives and turned over to Latzemproyekt. The fact is that after the publication of the government decree many of the former (prior to 1940) landowners or their heirs have

been claiming the right to the return of their plots. Moreover, claims for the return of land are also coming in from other countries....

So far it has been decided to return lands only to those former owners who return to their homeland and who intend to work the land themselves. For the time being, land is not being sold (this is being held up by the need to bring about fundamental changes in the financial and economic sphere). It is only being made available for lifetime possession but within three or four years in Latvia they plan to go over to private ownership of the land.

They plan to carry out the final repartition of the lands in the republic beginning in July 1993. The stocktaking of the lands will be completed by this time. Judging by all accounts, there will be no available land left. More than that, it is expected that the shortage of land will not allow it to be given to all those wanting it. Many city dwellers expressed a desire to become farmers. So far the average size of peasant farms in Latvia is about 20 to 30 hectares of farm land. The draft land code has set a maximum standard of 50 hectares but apparently it will not be possible to accomplish this.... Despite all the difficulties (not enough credit, just one-third of peasants have equipment, etc.), the first steps of peasant farms in Latvia indicate their great vigor—they produce diverse output with a low production cost that is easily sold.

But what to do with the kolkhozes and sovkhazes? A bill is planned that would convert them into joint-stock companies and companies of shareholders. They are not permitting any coercion of them in the republic. All conversions are being done only with the approval of the labor collectives themselves. Under the new, more healthful, and equal economic conditions, of course, the kolkhozes and sovkhazes will have to change one way or another and not just in the Baltic region. The market will put all of them in their place....

Pytalovskiy Rayon of Pskov Oblast borders with Latvian SSR. It became well known in the country thanks to the successful development of the leasing movement. It was begun by the problem-solving laboratory of the All-Union Research Institute for the Agricultural Economy that has now been operating in the rayon for about four years. In the last two years, its employees, responding to the demands of the time, began to help the peasant farms that are being established. Speaking at the meeting, laboratory chief R.E. Praust presented an alarming statistic on the farmers' movement in the rayon. It is alarming because the ones who are becoming farmers are teachers, retired military people, and jurists—in short, anyone at all, except the machine operators of kolkhozes and sovkhazes, who, after all, are the primary productive force in the nonchernozem countryside.

Based on the information of surveys, R.E. Praust declared that **rural machine operators have become a separate social force that monopolizes the entire structure**

**of rural life.** Indeed, for practically any everyday occasion, whether it be to plow a plot of land, to take a sick person to a city hospital, or something else, people are forced to bow down to the machine operator—and for a price, of course. Practically every machine operator has a vigorous and highly marketable private plot, in which he actually uses not .5 to .7 hectare, as the statistics show, but as much as 20 to 30 hectares of land. Most machine operators add as much as R15-20,000 from their own private plot to their income from public production (R3-4,000 a year). Why should a machine operator change his social position and try to get a loan for the leasing of land and the purchase of equipment and so on if he has all this at no cost?

We have become accustomed to looking for opponents of perestroika among officials and administrators and do not notice that it is primarily the machine operators themselves who are opposing the progressive changes in the countryside, declared R.E. Praust. Of course it is those among them who were able to set themselves up nicely under the existing defective system. The fate of the agrarian and land reform, at least in the Russian nonchernozem, now depends to a considerable extent upon whether or not the machine operator will go for small forms of farming!

These are the specific proposals of R.E. Praust. **It is necessary to stop the extensive state support of unprofitable farms (which we have become accustomed to consider an achievement of our system), because such support strengthens only that stratum of rural inhabitants who are opposing all changes in the "status quo."** And something else. It is necessary to give serious thought (as they are now doing in the Baltic republics) to methods for the formation of shared participation in kolkhozes and sovkhazes. It is not a matter of their "dispersal," for this would be simply stupid. It is necessary through economic measures to see to that every share of the total property is really earned by the kolkhoz or sovkhaz worker.

The chief of the main directorate for land management and land use of the State Commission of USSR Council of Ministers for food and purchases A.I. Panfilovich expressed the opinion that **one cannot artificially accelerate the process of land reform but it is necessary to observe the natural course of events and do everything possible to bring it about through the timely formulation of all necessary documents as well as enforceable and legally binding acts.** This is what the State Commission is now doing. It has been his observation that locally the picture is very mixed. Many responsible workers are perplexed. There is neither movement "from below" nor instructions "from above."

This is how A.I. Panfilovich sees the practical implementation of the reform at, let us say, the rayon level. Land managers take stock of all land and separate out a stock of available lands for redistribution, a commission of representatives of the rayon soviet registers all applications submitted for the allocation of land for the establishment of peasant farms, for development, etc., and

then carries out a competitive selection of future land-owners and land users and parcels out land to them. This is the general picture. But what about the kolkhozes and sovkhozes? Apparently they will remain the main producers of agricultural output. But, taking into account the wishes of their workers, here it is also necessary to decide on some moves—expand private plots and assign fields to the homesteads. In general, the expansion of the homesteads is a very promising direction in the current reforms in the countryside.

But the land reform will consist not only in the allocation of land to all those who want it. It is also necessary to resolve many economic, engineering, ecological, and other questions. This is why **a pressing matter is that of personnel**. Clearly it is necessary quickly to organize courses for the retraining of representatives of related occupations for participation in the reform. The attitude toward land managers is changing before our eyes. Previously, when the land “belonged to no one,” hardly anyone noticed their work and it was not difficult to “go around” them. But now land managers are seen and needed by everyone and the volume of their work is increasing dramatically. And here it has become apparent to all how few land managers there are in the localities and how poorly they are equipped to perform their functions.

This theme was continued by Yu.K. Neumyvakin, director of the Moscow Institute for Land Management Engineers. According to his calculations, the carrying out of land reform in the country will require the establishment of about 180 sections under oblast soviets, committees in the oblasts, and commissions in the rural soviets (and there are 23,000 of them). Each such body will need to have from 10 to 30 specialists. But land managers in Russia are trained in only five VUZ's, which accept about 550 people for the first course. It is necessary to organize courses for the retraining of agronomists, reclamation specialists, and other specialists in “land” occupations. Special courses are also needed for soviet workers in questions of land legislation. The Moscow Institute of Land Management Engineers already has monthly courses to raise the skills of agronomists for participation in land reform and they have turned out to be very successful and useful. It would not be a bad thing to apply this experience extensively....

Many other prominent Soviet scientists and agrarian specialists participated in the discussion of the draft Concept for Land Reform in the USSR and practical workers from different areas of the country also had the opportunity to speak.

The presidium entrusted the working group of academician A.N. Kashtanov with the final elaboration of the draft Concept taking into account the past discussion and with the preparation of an analytical report “On the Course of the Realization of Land Legislation in the Country” for the commission of the USSR Supreme Soviet on agrarian questions and food. Specific decisions were made on the scientific support of the land reform,

the expansion of the training of personnel to carry it out, and the issue of the necessary reference publications.

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### **Poll Results Show Negative Attitudes Toward Land Ownership**

#### **RSFSR VASKhNIL Official Interviewed**

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First Edition p 2

[Interview with Doctor of Economic Sciences A. Shutkov, by O. Stepanenko: “Not To Cook Pancakes...”]

[Text] **Land, its owner, and forms of ownership in rural areas represent, perhaps, the most acute subject in the press, in public life, and in the debates of our parliament members today. Verbal battles are being waged and lances and pens are being broken. Only for some reason the chief hero of these events—the peasant—seemingly remains aloof. What does he think about land relations? How does he see them?**

**For this purpose scientists at the Russian Academy of Agricultural Sciences conducted a poll. Doctor of Economic Sciences, Prof A. Shutkov, vice-president of the academy, discusses its results.**

[Shutkov] If you listen to some scientists, economists, publicists, and people's deputies, rural areas are only waiting for the time when land will be transferred to private hands. But this is what the poll shows. We conducted it in Moscow, Leningrad, Kaluga, Belgorod, Kursk, Rostov, and Saratov oblasts, in Stavropol Kray, and in West Siberia. As you see, for a complete picture we took different regions. Kolkhoz members, sovkhoz workers, rural managers and specialists, workers at APK management bodies and industrial enterprises, and scientific associates were polled.

The overwhelming majority think that land is the property of the whole people and cannot be under private ownership. Even among city dwellers 75 percent of those polled uphold this position.

[Stepanenko] And why, Anatoliy Antonovich, “even”?

[Shutkov] Because there are even more rural dwellers who oppose private land ownership; among kolkhoz members and sovkhoz workers, 83 percent and among managers and specialists, 88 percent.

[Stepanenko] Perhaps they are mistaken. After all, the authors of proposals on land privatization are scientists. They know the history of this question.

[Shutkov] Historical experience has shown that private land ownership in itself will not save us from hunger. Please recall the ukase of the tsarist government of 1906: “On Retaining Land Under Private Ownership” and withdrawal from communes. During the same years the

tsar had to issue another ukase: "On the Preparation of Bread From Spent Grains and Straw Flour as a Possible Replacement for the Consumption of Ordinary Rye Bread." Here is privatization for you. In 1913 the yield of grain crops totaled only 8.2 quintals.

[Stepanenko] And world experience?

[Shutkov] The same. In Western Europe and the United States agriculture was insufficiently productive until the state gave it all-around, comprehensive assistance in financing, in the extension of credit, and in price practice. In particular, the application of mineral fertilizers was increased and a reliable material and technical base was established.

The need of large farms for resources per hectare is incomparably smaller than that of small farms. Today, however, it is met for motor vehicles and tractors 70 to 75 percent, for fodder harvesting equipment, 60 to 65 percent, and for mineral fertilizers, 70 to 65 percent. The situation is deteriorating. This year rural areas have failed to receive more than one-fourth of all the planned deliveries of equipment and one-third, of spare parts. And the low quality of machines and the constant rise in their prices! And so, to encourage private ownership is to get away from the solution of the main problems of rural areas.

I think that lifetime possession of land with a right of inheritance would be the most correct—without the right to sell, to mortgage, and to give as a gift. The majority of the participants in the poll supported precisely such an approach.

[Stepanenko] We are discussing forms of ownership. What is the peasants' opinion of forms of management?

[Shutkov] Here the answers were distributed as follows: A total of 81 percent of the kolkhoz members and sovkhoz workers, 84 percent of the managers and specialists in rural areas, 61 percent of those employed in industry, and 78 percent of the scientific workers came out for kolkhozes, sovkhozes, enterprises, groupings, and associations of primary cooperatives and lessees.

In all population groups (with the exception of workers at city enterprises) from 13 to 19 percent give preference to individual farming. The majority of those polled came out for a combination of different forms and admitted that kolkhozes and sovkhozes should be the basic form.

And this under difficult working conditions and their miserly provision. Only one-fifth of the rural population has centralized water supply and even less than that, a sewage system. On the average, there are 3.7 km of hard-surface roads per farm in regions of the nonchernozem zone, Siberia, and the Far East, while the minimum need is for 25 to 30 km.

And the appalling inequality of economic relations with remaining sectors! We will add here the elimination of more or less prestigious types of activity from rural areas, which has been going on for decades, and the rigid

centralized withdrawal of products, which is reminiscent of the requisitioning of grain by force.

Despite everything, the produced products are sufficient to supply the people. The trouble is that more than one-third of them are lost, not through the peasants' fault. There is no storage or processing base.

[Stepanenko] Nevertheless, are the persistent proposals by VASKhNIL academician V. Tikhonov and other scientists concerning the division of kolkhoz and sovkhoz land among workers, which, apparently, are prompted by serious research, substantiated?

[Shutkov] Unfortunately, neither substantiation nor a profound scientific approach is visible here.

What does it mean to divide large tracts of land into small plots? A great deal of confusion arises. Some receive land near the village, while others, 10 to 20 km away from it. Moreover, the quality will be different.

Again strip farming. What is to be done with people who will not be able to cultivate land? For example, with pensioners? With young families, who will have many children and there will not be sufficient land for them? Take densely populated regions, which lack land. For example, the North Caucasus. How to divide land there? How much of it will there be per person?

Historically, Russia adheres to collective ownership. It is worth mentioning the words of L. N. Tolstoy, who said: "To my recollection, the Russian people did not recognize land ownership. Now, however, an incessant struggle for land ownership, a struggle with tools provided by the government, is going on. In this struggle those participating in government coercion, not those working on land, always score a victory."

[Stepanenko] Nevertheless, to say that kolkhozes and sovkhozes work well would not be serious, to say the least.

[Shutkov] They do not utilize the basic potentials inherent in this form; first of all, the development of democratization in management and self-management and the transformation of the internal economic structure. It is necessary to establish enterprises of the associative type, that is, cooperatives, groupings, associations, consortiums, agro-firms, and combines, as well as scientific-production and production systems with developed economic ties. The diversity of forms will enable the peasant to use his right to work in accordance with his interests and to uncover his abilities.

[Stepanenko] Has the opinion of peasants concerning the admissibility of hired labor been clarified?

[Shutkov] Among kolkhoz members and sovkhoz workers 26 percent of those polled completely deny the possibility of such labor and 44 percent permit it for the period of seasonal work. Only 21 percent come out for

the use of hired labor without any restrictions. City dwellers and representatives of science are most favorably disposed toward it.

[Stepanenko] What is the conclusion from the research results?

[Shutkov] It will be necessary to solve a whole spectrum of problems connected with the development of the mechanism of land relations, to take into account specific features of regions, and to give the peasant the right to determine forms of management. The hastily adopted laws do not take this into account. It should not be forgotten that land relations are only part of the general problem of agrarian and, more accurately, agro-industrial production. Precisely this general, main problem does not find a solution. The attempt to reduce it to forms of ownership and to counterpose them can lead and already leads to negative consequences and to the creation of social tension.

The Russian Parliament has already adopted a law on land reform. I am afraid that this can be something like forced collectivization. Speed and onslaught without an all-around analysis of the problem may not give the desired success.

After all, laws are not pancakes. One hardly needs to be in a hurry to cook them. If the first pancake is a lump, it will be difficult to improve the next one. And so, before managing the fates of the peasantry, at least its opinion should be sought.

### Sociologist Expresses Doubts

914B0070B Moscow PRAVDA in Russian 21 Dec 90  
First Edition p 3

[Letter to the editor by sociologist V. Kiriyyenko, Moscow: "I Do Not Believe That 96 Percent Are For Private Land Ownership"]

[Text] As already reported, the weekly ARGUMENTY I FAKTY, No 48 of this year, as though accidentally before the voting in the Russian Parliament on the matter of private land ownership, published data (true, only one-half were counted, but the results had to be rushed) of the poll conducted by AiF on this problem. I would like to recall that, according to the newspaper's report, more than 300,000 people responded to the questionnaire, of whom 96 percent considered the transfer of land to private ownership permissible.

These figures truly impress and weigh heavily, but, indeed, only on those who look at them through the eyes of supporters of private land ownership, or through the eyes of a naive reader, who is used to believing everything that is printed, is not familiar with methods of political struggle and political pressure, and has a poor idea of what sociology is.

However, if one looks at these data, for example, through the eyes of a sociologist, the results will be directly opposite from those expected by the newspaper and by

the circles that have rushed with their publication before the voting at the Russian Congress. For example, if the number of AiF subscribers for this year—33 million—is taken as the basis for the calculation, it will turn out that only about 0.87 percent of them have answered that they are for private land ownership. However, the AiF weekly is quite popular and has severalfold more readers than subscribers. Consequently, the percent of those who have answered that they are for private ownership in relation to all readers will decrease even more. The fact that, mainly, readers who are supporters of private ownership have responded to the newspaper should also be taken into account.

Thus, gentlemen (some deputies address each other in this way) and comrade deputies, who have voted for private land ownership, remember that only several tenths of a percent of all AiF readers have supported you with their answers. And this with all the deafening and pressing propaganda of private ownership, which has come down as an avalanche on the country through television, radio, and most newspapers and journals. However, there are facts (they have been published) that the overwhelming majority of the people would like to have 15 to 20 hundredths [of a hectare] for dacha plots.

I myself am an opponent of private land ownership. Like many people I believe that only what man has produced, only what is the result of his labor, can be personal, private property. But air, sunrays, sea, land, its resources, and so forth were created by God or mother nature and cannot be someone's private property. Moreover, hardly anyone now gives thought to the following question: What is to be done if after a few dozen years their descendants will want to work on land, but all of it will already be someone's property? Today it is no longer so complicated to guess whose private property it will ultimately become. I would like to mention that the purchase of land for private ownership, especially under our conditions, is the most profitable investment of "filthy money."

The following question arises: Nevertheless, what is to be done with land? The answer can be only one. Land should be state property, the common property of all the Soviet people, and kolkhozes, sovkhozes, cooperatives, individual peasants, city dwellers, and so forth should have the right to lease it from local soviets with the right of inheritance and, when they return it to soviets, with the payment by the latter of all types of compensation for the labor invested in it.

And now a proposal. I am quite an experienced practical sociologist and I know that in any sociological investigation voluntarily or not it is possible to create a situation in which the answers of those polled will be desirable to the sociologist. That is, a great deal in sociological research depends on the researcher's personal competence and scientific adherence to principles. Therefore, I propose that supporters of private land ownership, having picked out from their midst, preferably, quite a strong and experienced sociologist, conduct together

with me a small sociological investigation or a mini-referendum on this problem, for example, among workers and employees in agriculture. Proceeding from the fact that supporters of private ownership have the strongest positions in several big cities, I am ready to meet them halfway and to conduct the investigation among city dwellers in Moscow. Financially, this investigation will be virtually free of charge. Naturally, it will not be able to claim that it shows the true picture all over the country, but in reality it will show to a certain extent the tendencies existing in our society in connection with this matter. I propose that any deputy of Russia or of the Union be invited to this investigation as an observer and a distinctive arbitrator.

And last. Gentlemen and comrade deputies! You can consider yourselves the wisest, most moral, and so forth representatives of the people. This is your business. However, we, the people, the voters, did not give you the right to decide for us the fate of the country, of the nation, and of the state, to decide for us whether there should be a single state or not, whether private ownership, including of land, should be in our country as a whole or not—not in a separately taken republic or village. We did not give you such rights. Remember this. Therefore, not you, deputies, but we, the people, should solve all the most important problems and issues, which are of nationwide and statewide significance. Only we, through a national referendum, have the right to solve these problems, to adopt or reject laws, and so forth. Only we.

Thus, the challenge has been put forth. Who from among the supporters of private ownership will respond to it?

When this letter of mine had already been written, on 13 December on the "Vremya" program, which tens of millions of television viewers watch both in our country and abroad, the anchorman announced that, according to the conducted poll (true, he did not say which one), 96.2 percent of the people in our country came out for private land ownership. What is this? Political, scientific, and legal semiliteracy on the part of the anchorman and "Vremya" programmers, or a well-thought out action to dupe the population, influence on people's thinking on the part of supporters of private ownership, and a return to the old methods of forming public opinion? I am afraid that, nevertheless, the second.

That is why—against the background of such pressure—I support with all my soul President M. S. Gorbachev's proposal heard at the 4th Congress of People's Deputies: To conduct a referendum on land ownership. In my opinion, this is the only correct method of solving such an acute and complex problem affecting the interests of the entire nation and the entire country.

### Data Manipulation Claimed

914B0070C Moscow SOVETSKAYA ROSSIYA  
in Russian 18 Dec 90 Second Edition p 3

[Letter the to editor by M. Rutkevich, corresponding member of the USSR Academy of Sciences: "Let Us Compare Data"]

[Text] The announcement by T. Komarova, director of Central Television, is totally intolerable and incompatible with work in mass information media. On the "Vremya" program on 13 December she undertook the functions of a commentator and, after giving an account of the debate on the question of private land ownership, ended it with the following phrase: It is well known that 95 percent of the citizens come out for private land ownership. (I quote from memory, but I vouch for the meaning). Komarova derived this figure from the weekly ARGUMENTY I FAKTY, No 49, 1990. After the known attempt at a gross falsification of public opinion (see No 40, 1989), when the counting of "for" and "against" conducted by the editorial department according to postcards sent to it was passed off "as public opinion," this time the weekly's editorial department especially stipulated that the counting was done according to readers' postcards sent to it.

However, such a, if I may say so, sociological poll, in fact, is designed to deceive readers. According to the poll by the USSR State Committee for Statistics, 54 percent of the kolkhoz members and sovkhoz workers do not want to take land for their ownership (PRAVDA, 12 November of this year). According to the data of another poll, 75 percent of the city dwellers and 83 percent of the kolkhoz members and sovkhoz workers come out against private land ownership (PRAVDA, 4 December 1990). The commentator of the All-Union Television cannot fail to know this. Consequently, she commits a conscious distortion of facts for the purpose of forming public opinion in the interest of political forces opposing the CPSU.

### Poll Results Discussed

914B0070D Moscow ARGUMENTY I FAKTY  
in Russian No 4, Jan 91 pp 4-5

[Article by Candidate of Philosophical Sciences A. Gavrilov, sociologist, on behalf of the research group of the SOTsEKSI Center: "We Are Ready To Predict Referendum Results"]

[Text] In the newspaper PRAVDA of 21 December 1990 in the item entitled "I Do Not Believe That 96 Percent Are For Private Land Ownership" sociologist V. Kiriyeenko cast doubt on AiF questionnaire results.

M. Rutkevich, corresponding member of the USSR Academy of Sciences, published an objection of a similar nature in the newspaper SOVETSKAYA ROSSIYA of 18 December 1990.

We would like to note right away that the results obtained by the weekly AiF do not reflect the views of all its readers. Moreover, it cannot be stated that 96.2 percent of the country's population come out for private land ownership.\*

We draw this conclusion on the basis of data of three sociological polls conducted in the fall of 1990. One of them was conducted in the system of the Russian Academy of Agricultural Sciences and encompassed more than 6,000 people in 10 oblasts of various zones in Russia, including Siberia. The other was conducted by the All-Union Center for the Study of Public Opinion and was published on 12 (13) November of last year in the newspaper IZVESTIYA. Finally, our own investigation, which was conducted on the order of the RSFSR Supreme Soviet and, according to a preliminary proportional sampling, encompassed more than 2,500 people in Saratov and Tver oblasts.

As a result of our survey by questionnaire it was established that the majority of the population (60 percent) views the introduction of private land ownership approvingly. However, whereas among residents in big cities three-fourths of those polled are so inclined, in small cities, about one-half and in villages, 45 percent of those polled. At the same time, the share of opponents of land privatization in big cities makes up 17 percent, in small cities it is much higher, that is, 41 percent, and in rural areas, 45 percent of those polled.

Two factors convince us that the obtained results are reliable: First, the quite close coincidence of questionnaire data in two regions of Russia, which are far from each other and differ significantly in many parameters, especially as the polls themselves were conducted by research groups independent of each other; second, the correspondence of our conclusions to the results of the other two investigations.

For example, according to our data, among rural dwellers 45 percent come out for private ownership, according to the data of the All-Union Center for the Study of Public Opinion, 46 percent, and according to the data of the Russian Academy, 51 percent of those polled; against, 45, 42, and 40 percent respectively. In such cases the ancients used to say: "This is sufficient for those who understand."

And so, the evaluation of the weekly AiF is overstated, although the essence of the matter is reflected correctly. For a newspaper poll this is quite a typical outcome. Every mass publication, especially one distributed almost exclusively through subscription, has its own specific audience and people of definite views and preferences. Only the most active part of the readers, usually no more than two percent of the number of subscribers, respond to the newspaper's request to fill out and send a questionnaire. Hence the results of the AiF poll can also

be understood as follows: The number of active opponents of private land ownership among readers of this publication is 25-fold lower than that of active supporters.

Furthermore, from AiF questionnaire results it follows that 26 percent of the people who have sent filled out questionnaires want to have land for the production of products for sale. In absolute figures this totals almost 80,000 people, which is quite a lot, because Russian Prime Minister I. Silayev spoke about 100,000 individual farms during the first two years of privatization as a success of land reform. Incidentally, according to our data, 27 percent of the polled rural dwellers would like to have land for this purpose.

V. Kirichenko is convinced that there are very few supporters of private land ownership. We are convinced of the opposite and, therefore, we accept the challenge and agree to participate in another investigation together with him and in the presence of deputies as independent judges. Moreover, on the basis of our research results we are ready to predict the referendum results: The share of supporters of land privatization will be more than 60 percent.

Let us examine another significant remark by V. Kirichenko. He writes: "... The overwhelming majority of the people would like to have 15 to 20 hundredths [of a hectare] for dacha farms" and to him this information sounds as an argument against privatization. In fact, what kind of private ownership is this if it is only a matter of a dacha plot?

A sociologist should be well aware that a fact and its interpretation are substantially different things.

And so, first about facts. Indeed, one-half of the polled city dwellers speak of a garden plot of 10 to 15 hundredths [of a hectare] and one-half of the rural dwellers, about a plot of up to 50 hundredths [of a hectare] for private subsidiary farming. A total of 10 percent of the city dwellers and 20 percent of the rural dwellers mention a plot of up to 10 hectares, while 2 percent of the city dwellers and 6 percent of the rural dwellers, of more than 10 hectares. Of course, this is not much.

On the other hand, three percent of the agricultural land occupied by private subsidiary plots, according to some evaluations, yields up to one-half of the total potatoes and many other products. So it may be that this is not so little.

The following was another question, which explained a great deal: "Can a confiscation of acquired property from individual farmers, lessees, and cooperative workers (repetition of 'expropriation of the kulaks') be expected in the near future?" The results are as follows: In the summer and fall of 1989 a total of 16 percent of those polled ruled out such a development of events; in the fall of 1990, a total of 24 percent. A person will not invest efforts and funds in a plot of land if he fears future expropriation. Without confidence in the authorities,



legal guarantees of law and order, and observance of basic human rights, including the sacred right of private ownership, no significant shifts can occur in our country's economic life.

#### Footnote

\*Incidentally, these statements did not appear on AiF pages. See AiF, No 48, 1990—editor.

## REGIONAL DEVELOPMENT

### RSFSR Moves to Improve Quality of Rural Life

#### Ministry, State Committee Offer Recommendations

914B0077A Moscow SELSKAYA ZHIZN in Russian  
29 Jan 91 p 2

[Article: "For Those Who Decided to Become Farmers"]

[Text] The RSFSR Ministry of Agriculture and Food Products, together with the State Committee on Land Reform, has confirmed recommendations on the order for allocating land parcels and production assets to workers who wish to become farmers. The basic points of these recommendations are provided below.

It is noted that kolkhoz members and workers of sovkhozes and of other agricultural enterprises and cooperatives (with the exception of experimental enterprises) have the right to leave them and to take a parcel of land to organize a peasant (farmer) enterprise without the agreement to this of the labor collective or the enterprise's administration.

Every kolkhoz farmer (sovkhoz worker), including one who has retired or who has worked here no fewer than 20 years, has the right to a share of the value of production assets after the deduction of total unpaid long-term credit and the value of indivisible funds if such are created based on the decision of the collective, as well as to the value of funds created from budget assets. The share of the kolkhoz member (sovkhoz worker) is determined in accordance with the length of service in the enterprise and with his work contribution. It is confirmed by a meeting of the collective.

Those wishing to leave the kolkhoz or sovkhoz and to run a peasant enterprise must submit a declaration to the administration or sovkhoz directors, in which they indicate the proposed size of the desired land parcel, its location, the production direction of their operation, the cost of existing stock and the list of property requested.

Other citizens who wish to receive land, including those who are moving from other regions for permanent residence, must submit a declaration with the necessary documentation to the rayon (city) soviet of people's deputies in the place where the parcel of land is located.

The kolkhoz (sovkhoz) or other agricultural enterprise examines the citizen's declaration within the period of a month. The results of the examination are formulated according to a protocol of the meeting of the kolkhoz administration (order of enterprise director), which provides information on the decision that was made.

During this period the village (settlement) soviet of people's deputies examines the declarations from citizens regarding allocation of land parcels and the decisions of kolkhozes and sovkhozes and prepares a statement in which it offers its opinion on the question under study.

The citizen's declaration concerning departure from the kolkhoz (sovkhoz), the protocol of the kolkhoz administration meeting (order of the enterprise director) and the statement of the village (settlement) soviet, together with the declaration by the citizen concerning the allocation of a land parcel for the organization of the peasant (farmer) enterprise, are transferred to the rayon (city) soviet of people's deputies. Together with the rayon committee for land reform and land resources in land-organization it makes preparations regarding the confiscation and allocation of a parcel. If the kolkhoz or sovkhoz refuses to allocate a specific parcel, the rayon (city) soviet of people's deputies has the right to independently (according to the conclusions of the land commission) determine the location of the land parcel.

The rayon (city) soviet of people's deputies has two months to examine all of the materials related to land organization as concerns the departure of workers from kolkhozes, sovkhozes and other agricultural enterprises, and to make the corresponding decisions.

If the schedule for examining this question and for coming to a decision is violated, the guilty parties (workers of kolkhozes, sovkhozes, soviets of people's deputies) bear the administrative responsibility in the form of a fine of 1,000-3,000 rubles that is imposed by the rayon (city) committee for land reform and land resources upon its own initiative or upon the declaration of citizens.

The decision of the rayon (city) soviet of people's deputies to reject a request for land allocation can be appealed to the rayon (city) people's court as a claim.

On the basis of a decision by the rayon (city) soviet of people's deputies to allocate the land parcel, the soviet issues to the head of the enterprise the State Deed with the right to lifelong inheritable management or ownership of the land parcel, or signs a land lease agreement with the individual, with an addendum consisting of a map of the proposed peasant enterprise and a description of the land, its qualitative features and the recommended regimen for using the land.

The peasant enterprise is registered by the rayon (city) soviet of people's deputies after the issuance of the State Deed with the right to lifelong inheritable management or ownership of a land parcel, or after the signing of a

land lease agreement. The rayon (city) soviet maintains a registration card for each peasant enterprise, and the village (settlement) soviet enters it in the book of enterprises.

After registration, the peasant enterprise acquires the status of a legal entity and has all the rights related to it.

The size of the land allocation to a kolkhoz member (sovkhoz worker) who has declared his intent to leave the enterprise is determined according to the land shares or the value of land stock. The allocation for independent management can be increased by means of lease or purchase. As a rule, the plot of land is allocated as a single unit and if agreed to by the declarant, can consist of personal and industrial plots of land. The parcel is allocated as close as possible to the house of the citizen who is creating the enterprise without impinging upon the integrity of other enterprises and subdivisions of the kolkhoz or sovkhoz.

The collectives of kolkhozes, sovkhozes and other agricultural enterprises (with the exception of experimental enterprises) are given the right to divide land into parcels (shares) according to one of two variants. Land parcels are subject to monetary valuation or to a standard division among the regular members of the collective into quantitatively-established shares, which provide each kolkhoz farmer or worker of an agricultural enterprise with the personal right to the plot of land while he works in the collective enterprise. The land share can be inherited. It can be taken into account during the distribution of a portion of profits.

Subject to a standard division (determination of the land share) are agricultural lands after the deduction of areas that have been removed into a special fund for subsequent redistribution, as well as into a spare land fund created by the kolkhoz (sovkhoz). Here not the entire area of agricultural lands is distributed among the permanent workers—a spare land fund remains. After the spare land fund is established land shared (land stock) are distributed among kolkhoz and sovkhoz workers. In case all members of the kolkhoz or all sovkhoz workers create peasant enterprises, all agricultural lands are distributed among them into shares (land stocks) and a spare land fund is not created.

The size of the land stock (land share) of each member of the kolkhoz (sovkhoz worker) is determined by decision of the collective and confirmed by the corresponding document. The size should not exceed the average land share (land stock) that has developed in the given administrative region per agricultural worker.

The value of production funds subject to distribution among kolkhoz members or sovkhoz workers is assessed according to conditions at the moment of the transition to new economic conditions (after the deduction of depreciation costs). Deducted from this sum are total unpaid long-term loans, the cost of indivisible funds if such have been created according to the decision of the collective as well as the cost of funds created by means of

budgetary resources. The remainder of production funds will comprise the share fund of the kolkhoz (sovkhoz) that is subject to distribution.

The value of indivisible funds, upon decision by the collective of the kolkhoz (sovkhoz), may include the general use fund (roads, electrical lines, water and sewer networks and so forth), which is not subject to distribution among kolkhoz members (sovkhoz workers).

#### **Council of Ministers Resolutions, Decisions**

914B0077B Moscow SELSKAYA ZHIZN in Russian  
25 Jan 91 p 3

[Article by the Information Section, RSFSR Council of Ministers: "Within the RSFSR Council of Ministers"]

[Text]

#### **According to Previous Prices**

The Information Section of the RSFSR Council of Ministers reports that according to the regulations of the Council of Ministers of the Russian Federation of 22 January 1991 the following order has been established:

Henceforth until special instructions are issued, the sale of food products, tobacco products, industrial and household soap and synthetic cleaning agents is to be implemented according to state retail prices that are in effect until 1 January 1991.

Accounts with industrial enterprises for the food products, tobacco products, industrial and household soap and synthetic cleaning agents they produce are implemented according to new wholesale prices.

The RSFSR Central Bank is to allocate, without impediments, to retail and wholesale enterprises the needed credit assets to replace the difference between wholesale and retail prices after the deduction of trade discounts.

The RSFSR Ministry of Finance is to reimburse retail and wholesale enterprises for credit interest from the RSFSR republic budget and together with RSFSR Goskomekonomika [State economics committee], RSFSR Minselkhozprodrom [Ministry of agriculture and food products] and RSFSR Mintorg [Ministry of Trade], to determine sources for reimbursing the aforementioned credits.

#### **New Roads in Russia**

The RSFSR Council of Ministers has passed a resolution, "On Roadbuilding in the Village in 1991-1995." It states that in the course of 5 years 211,860 kilometers of intra-enterprise and 66,849 kilometers of local roads must be built and repaired in Russia.

The function of the client in road building, renovation, repair and maintenance of roads is being placed on the road organs of republic councils of ministers, on kray and oblast executive committees (local roads) and on

road organizations of the RSFSR Ministry of Agriculture and Food Products (intra-enterprise roads).

### Gas for the Village

A resolution, "On the Development of Gasification of the Village," has been passed in the republic and foresees the allocation of centralized capital investments by the State Economics Committee for building high-pressure gas lines, distributive gas networks, gas filling stations for liquefied gas, autonomous sources of gas supply for compressed or liquefied natural gas, production bases, service enterprises, and plants for the production of gas ranges. Gasification of houses (apartments) in the village will be implemented by means of the local budget and the population's assets. The production of ranges should reach 3.1 million units per year by 1995.

### The Yoke—Into the Museum

A resolution entitled "On the Development of Water Supply to Village Settlements in 1991-1995" has been passed. The resolution foresees the development of regional specialized subdivisions for planning, building and operation of systems of agricultural water supply on the basis of existing water management organizations; for the rebuilding of village water lines and of wells that have not been in operation and control over the quality of the water being brought in; and for carrying out an inventory assessment of agricultural water supply objects.

The RSFSR Council of Ministers has asked the RSFSR Industrial Ministry, together with the RSFSR Ministry of Agriculture and Food Products and the RSFSR state committees for economics and for material-technical supply for republic and regional programs, to attract enterprises of the defense and other branches of industry located within Russia for the purpose of manufacturing needed equipment to purify the water that is to be used by peasant and farmer enterprises.

RSFSR Minselkhoproduct, which is the main customer in the building and renovation of water lines, is to receive 952 kilometers of main line networks already in 1991, which will equal 12 percent of the total number.

## LIVESTOCK AND FEED PROCUREMENT

### Moscow Area Meat, Dairy Product Shortage Examined

#### Scaremongering By Leaders Alleged

914B0080A Moscow SELSKAYA ZHIZN in Russian  
9 Dec 90 First Edition p 1

[Article by M. Glinka: "Milk, Meat and Conjecture"]

[Text] We know that between January and October 1,156,000 tons of meat products were sold in Moscow. This is 22,000 tons more than planned. Over a period of

10 months this equalled 128.4 kilograms of meat per Moscow resident! This means every resident, including a nursing infant, who will not make the transition to solid food for a while yet, and old people, who have not been eating meat for a long time.

I can imagine what indignation this report will arouse in the average statistical resident of our country, who during the same months received only 35.1 kilograms of meat products. But do not hurry to anger, because many Muscovites are already forgetting the taste of meat—it has not been in stores for a long time, and in markets the asking price for a slab of beef that is not of the very best quality is 20, 25 and sometimes 40 rubles. Yet we know that the market is the most precise indicator of the level of supply of a particular product.

Whereas at the beginning of the year it was possible to explain to some degree the shortage of food products by their mass shipment from the capital to neighboring cities, in recent months with Moscow stores having made the transition to trade according to passports and visitors' cards, how can we justify empty shelves? The angry Moscow resident, wandering around long unmarked streets or descending into the dirty metro begins to wonder more and more often why it is that during the epoch of stagnation, when the administrative-command system was in effect in the city, everything was bad but everything was available whereas now, with the "democratically elected" Moscow council [Mossoviet], everything has become seemingly good but nothing is available?

There is reason to worry. But instead of finally bringing order to Moscow stores (the first investigations of workers' control groups revealed auxiliary products crammed from top to bottom while store shelves were completely empty) and of organizing strict controls over the entire movement of food products from the railroad car to the consumer, Mossoviet directors began to spread rumors about the food blockade of the capital. On 2 December SELSKAYA ZHIZN acquainted readers with the "milk blockade" of Moscow in reporting about the actual situation involving milk production. I can only add to what was said that as reported to me in October and November the city received 4,500 tons of butter and 7,300 tons of meat products more than previously planned. Deliveries of vegetable oil, a product one also cannot find by daylight with a flashlight, increased above the planned quantities by 1,100 tons; and of sugar, which was already being allocated by coupon—by 3,000 tons. In "blockaded" Moscow there was significant growth as compared to last year in the sale of margarine, eggs, canned fish, confectionary items, tea, flour, groats and macaroni. It is another matter that Muscovites hardly noticed this. It would be interesting to find out where all of this food went. Perhaps a personal observation will suggest an answer to this question: recently I recognized, at one of the street shashlik stands, which appear not to be suffering difficulties in meat supply, a butcher from the neighboring food store.

It would appear that everything was clear. But on 4 December Moscow television cancelled regular programming to transmit an interview with S. Stankevich. The show was entitled, "Moscow During the Blockade." The vice mayor said that the capital was undersupplied with 100,000 tons of milk for political and not for economic reasons. He said that the heads of oblasts are leaders of oblast party organizations who are cutting off supplies to Moscow, Leningrad, Sverdlovsk and other cities with democratic governments. He said reports that farms have no feed and that this was the reason for falling milk yields and weight gains are groundless—after all, an unheard-of harvest was gathered in the country. And he dotted all his "i's": "I am speaking about a blockade. The blockade of Moscow is a reality, it is a food blockade." After this we cannot be amazed that panic buying is not decreasing!

In answer to the question, "This is logical, but what is the data?," Sergey Borisovich revealed three telegrams—one from a rayon near Moscow, another from a Bryansk dairy plant and a third from Penza Oblast. Three days later at a press conference G. Popov, chairman of Mossovet, presented a different version of the events concerning the food crisis in the capital. The country has produce and grain, but they have been hidden by kolkhozes and sovkhoses. Moreover, they have not been hidden by all of them but only by those which are the best—by those whose chairmen and directors, decorated with orders and medals, sit in the republic's supreme soviets. So it turns out this is where the main reason for all our problems lies! Listen, you hog farmers of the Ilinogorskiy Complex—it turns out it is you who have hidden the 20,000 tons or so of pork in order to once again confirm the "insolvency of the kolkhoz-sovkhoz system." Herdsmen and operators of Voronezh's Mayak Interfarm Enterprise—it was to no purpose that you in a few short years increased beef production tenfold, increasing it to 4,000 tons, if now you are hiding all these riches from the hungry city dwellers. Kolkhoz and sovkhos milkmaids of the Moscow region—you produce two million tons of milk per year, or 4,000 kilograms of food products per cow. Aren't you ashamed to pour all of this into ravines with one purpose only—to spite Moscow residents and the "democratic" Mossovet?

Incidentally, Gavriil Kharitonovich himself probably does not believe in such sheer "sabotage." Some might, but the mayor of the capital, one of the leaders of the interregional deputy groups of the USSR Supreme Soviet could not have found it difficult to establish that the livestock farmers of that same Penza Oblast, under difficult conditions (five months of ceaseless rains did not permit them to procure the needed amount of feed; their reserves are one-third smaller than last year's) still overfulfilled the plan for the delivery of sour cream and are close to fulfilling their quotas for the delivery of pot cheese and cheeses and have pledged to fulfill their obligations to the capital by the end of the year. They are doing this even though in October alone the oblast produced over 8,000 tons of milk less than last year.

The same situation exists for Bryansk "debtors." Over a period of 11 months the oblast sent Moscow 40,000 tons of milk above the plan. In October the situation deteriorated, milk yields dropped and in one month milk production decreased by 2,000 tons, but livestock farmers are trying to fulfill their obligations. It is necessary that the oblast receive the products which it itself does not produce.

But why is milk yield dropping during a good harvest year? Somehow it is uncomfortable to remember that in speaking about the unheard-of harvest agricultural workers have in mind grain crops, and cows are not fed with grain. A good harvest was not produced everywhere. As for succulent and coarse feeds (it is they which comprise the basis for rations of the dairy herd), almost everywhere considerably less has been procured than last year and much less than the minimum needed. The quality of hay and haylage made from grasses that were soaked by rains is below all criticism. Finally we have the fact that this occurred to a significant degree because of the absence of city aid to peasants, who were left one to one with the bad weather and without fuel and equipment. Those oblasts which Moscow directors included among the "saboteurs" have now gathered 2,840,000 tons of feed units fewer than a year ago. No less than a ton of feed units is needed to produce a ton of milk. It is not surprising that with the transfer of livestock to winter upkeep milk production dropped.

In October gross yield in the country as a whole decreased by half a million tons. There was a shortfall of over 75,000 tons in 15 oblasts that supply milk and dairy products to the capital. In November the drop was even more imposing. Under such circumstances only a person who has not enquired into the essence of the matter or one who is trying to blame others for his own mistakes can speak about some sort of punishment, some sort of "blockade."

At a special RSFSR Congress of People's Deputies the following data came to light: "For 1991 the republic is short 15 million (16—corrected by I. Silayev, the Russian premier) tons of grain, 500,000 tons of meat and 200,000 tons of vegetable oil to supply the population normally." It would seem that everything is clear—under such circumstances it is possible to increase someone's food ration, simply by taking it away from the neighbor. Nevertheless, Moscow administrators continue to fire up passions, are manipulating public opinion and making demands, as was done by Yu. Luzhkov, chairman of Mosgorispolkom [Moscow city executive committee], in his television appearance on the evening of 7 December, to take more severe measures ("there are no other solutions!") to increase the delivery of food to Moscow. What, are you going to order that Tver's kindergardens, Voronezh's hospitals and Bryansk schools be left without milk?

All the more amazing seemed to me the declaration of the Moscow deputy group at the congress, in which the stated number of oblasts "which curtailed the delivery of

milk upon command" has already increased to 10, their milk debt—to 266,000 and their meat debt—to 153,000 tons. The representative of the group declared that Orel, Smolensk and Vladimir have completely halted milk shipments whereas Kaluga, Tver, Voronezh, Penza and of course the Moscow region had sharply curtailed them. He talked and talked and read a letter from a Moscow "mother of two" that had arrived at the appropriate time, while at the approaches of Moscow trade stations the unloading of over 500 cars of meat, dairy products and sugar was expected.

Of course, there are many errors in the organization of shipments of meat and dairy products to Moscow as well as to other industrial centers. In addition to objective reasons we also find regionalism and the manifestation of irresponsibility and elementary unobligingness. Yet in most cases oblasts are doing everything possible to decrease the stress of Muscovites as well as that of residents of other cities to make sure that they do not starve. Despite the complexity of the financial situation, the government that has been complained about so often still has been able to find hard currency with which to purchase food products abroad that are in short supply here. But we will not solve the crisis if instead of cooperative work we will fire passions and frighten the country's residents with non-existent blockades and hunger.

#### Follow-Up Letters

914B0080B Moscow SELSKAYA ZHIZN in Russian  
2 Feb 91 p 1

[Letters by Ye. Smirnov, village of Mintsy, Khvoyninskiy Rayon, Novgorod Oblast, and by milkmaid Chupraga, Roslavl'skiy Sovkhoz, Smolensk Oblast: "'Milk, Meat and Conjecture' (9 December)"]

[Text] What has the "democratically elected" power of Mossovet brought us to! Railroad cars with food products stand unloaded at the approaches to Moscow, and comrades Popov and Stankevich are yelling: "Alarm, Moscow is being blockaded!" I would like to say to the respected Moscow mayors: if you came to power, you must lead and think about the people, and not sow chaos and confusion, not incite passions. If you cannot do this, retire while it is not too late, don't wait until Muscovites demand this of you. [Ye. Smirnov]

Let Muscovites come to us in the village, which they have all left. After all, there in the capital you will find all of the peasants who left for better wages. Now they have become urbanites and want everything served to them on a golden platter. The time has come for everyone to work for himself. So come, those of you from different villages—apartments are available, they are empty. We will all work together plowing and raising livestock and you will have everything. [Chupraga]

#### Follow-Up Letter to "Milk Blockade"

914B0080C Moscow SELSKAYA ZHIZN in Russian  
2 Feb 91 p 1

[Letter by V. Dzhavrova, Krasnozerskoy, Odessa Oblast: "'Dairy Blockade' (3 December)."] A translation of the original article appears in the Soviet Union Economic Affairs Report No JPRS-UEA-91-004, dated 23 January 91]

[Text] S. Stankevich and Yu. Luzhkov are right a thousand times over that there is a blockade of Moscow. Otherwise why aren't packages to Moscow accepted? Crumbs are being sent from all over the world (I am ashamed for our great country), and I cannot send by retired sister 5-6 kilograms of presents during this difficult time for us. When will these political intrigues end?

## POLICY, ORGANIZATION

### RSFSR Minister on Intended Price Increase Compensation

914D0147A Moscow ARGUMENTY I FAKTY  
in Russian No 5, Feb 91 p 2

[Interview with deputy chairman of the RSFSR Council of Ministers G. Filshin by N. Zhelnorova: "Preparations for the Future: Russia Is Preparing to Compensate Fully for the Increase in Food Prices"]

[Text]

[Zhelnorova] Gennadiy Innokentyevich, what is the story behind the Uralsk billions? Why did you decide to sign the documents, if the contract volumes are so substantial?

[Filshin] Only the scope of the purchases was examined. The Ministry of Trade noted that if purchases are made for this sum, the commodity hunger will disappear. I thought that through this deal we will resolve several tasks. In the first place, we will relieve ourselves of the burden of daily worries about commodity survival. Secondly, this mass of goods will reduce prices. Thirdly, this will "pull up" our industry in terms of the quality and assortment of goods. Fourthly, the money received from the sale will be used for investment and development of the basic branches of industry (for which we have planned practically nothing).

And, fifthly, there was no talk at all of any 140 billion rubles [R], for we have no such sums.

[Zhelnorova] But the Western partners certainly had their own interest. No one will do all of this without good reason!

[Filshin] Through the regions we offered the firms projects for the production of the output that they need and that they can sell in foreign markets. It includes chemicals, oil, timber, and metals. Some part of the received output compensates for the dollars they spend.

[Zhelnorova] Ultimately everything will be used up and eaten and then for a long time we will have to pay for the past pleasures with timber, metals, and oil.

[Filshin] That is right. But is there an alternative? We took out so many loans but have no means to repay them. We consumed \$200 billion in oil receipts and did not even choke! We did not invest that money in anything. Today we are left with practically no export base. The export of oil has declined by 60 million tons. We cannot invest anything in these branches. We invested just one-tenth of what was needed in the timber complex and we began to procure 30 million cubic meters less timber. Where are we headed? In the Brezhnev years, our economy worked for the military-industrial complex and heavy industry, whereas we imported consumer goods from beyond the "cordon." We brought in 40 million tons of food every year!

Loans could be an alternative but we do not have them! We are close to being declared an insolvent country after Bulgaria. Then they will take away everything that is left in all of our accounts. How can we live if we are dependent upon deliveries from abroad?

[Zhelnorova] But perhaps this will be the whip that will get us moving and make us go over to the market more quickly?

[Filshin] No, I think that precisely foreign deliveries will force those who are accustomed to solving all problems through price increases to think about the quality of our output.

In some kinds of products, our shortages now amount to about 20 percent. Deliver to the country not 20 but 30 percent of the goods, and 10 percent of the output will lie on the shelves. With imports on this scale, there will be an increase in real competition.

[Zhelnorova] What competition! The people will sit and wait until the next shipment of imported goods arrives. Perhaps it would not be a bad thing if the world market isolates us economically (temporarily, of course); this will finally force us to look after ourselves and to produce food and consumer goods.

[Filshin] I would agree with you, if we could just survive until the end of the year. Unfortunately, many do not fully realize the catastrophic nature of the situation. The purpose of perestroika was to free the enterprises and give the regions local self-administration. Today we have essentially given them this but it was an illusion of democrats as well as bureaucrats that commodity producers will immediately begin to flood the country with goods. They carried out commands from above for 70 years and it is difficult for them to act independently. Previously everything was taken care of for them—supply, marketing, prices, and production volumes. No longer. Moreover, the employees have begun to put pressure on them and they learned most easily and most quickly to convert noncash money into cash through all kinds of cooperatives. As a result, they flooded the market with money instead of with goods.

[Zhelnorova] But what about the Government of Russia? Why is it talking so much but doing so little? For the time being, political declarations predominate.

[Filshin] The work that we are doing is still unseen to the world. We passed a decree on the stabilization of the consumer market. We have given up everything to establish an economy favorable to commodity producers. We said: give us your projects for the production of consumer goods and we will give you investments and provide resources.... But we have no proposals. The people have neither the reserves nor the enthusiasm to establish this market.

Hence one can draw two conclusions. The first says: let us return to commands. But commands will not work, for no one will carry them out. The genie has already

been let out of the bottle. There are no instruments for action. Thus, Kirov Oblast is not fulfilling its obligations to Komi ASSR. I say: "Let us fine them." But this has to be done through a court and the court has not yet been established! Formerly it was possible to summon the oblast leadership and threaten them....

[Zhelnorova] ...with the loss of their party membership card and position. But now they are elected by their work collectives and they themselves have renounced their party cards.

[Filshin] Yes, it is frequently so. Today the main thing is to have patience and wait until the enterprises and regions learn to develop themselves. The second conclusion is that all the time it is necessary to create an economic environment for them that will force them to act in the right direction. By the way, this contract and deliveries from abroad are one of the methods to activate them.

[Zhelnorova] No, to prolong this agony....

[Filshin] Look, today Agroprom is putting us on our knees and is dictating whatever prices it wants through the threat of hunger. But if we bring in meat from abroad and it is in the stores, they will not sell it at their insane prices! And this will make them think.

[Zhelnorova] It seems to me that this is naive. They will buy it and consume it and no one will think "to compete," for example, for the best television set. We already know that the Japanese are best there. Look what the ministers of light industry, clothing, footwear, and accessories are wearing—everything imported! And it has been a long time since our industrialists had any pride (or shame).

[Filshin] But with the collapse of the financial system, when, after raising purchase and wholesale prices, we attempt to maintain retail prices, we have no other alternative than competition to influence quality and price.

[Zhelnorova] I can understand this when foreign enterprises in which our people will begin to work and learn are being established in the country. But to compete in finished goods?! Our "boys" will find a thousand excuses. They will say: "Give us Bush as a manager and then we will work like the Americans."

How will the price reform be implemented?

[Filshin] We think that a change in retail prices is unavoidable. This action will be carried out together with the union. According to the experience of the West, we ought to have undergone a liberalization of prices rather than raise them by directive. When they objected to the bread markup under the Ryzhkov method, not all deputies opposed the price increase. Economists thought that it is necessary to have a gradual liberalization. In Lithuania, people protested not because of the meat prices but because the prices were freed under the conditions to total shortages and jumped in such a way

that no one's heart could stand it. In addition, the Government of Lithuania also made a mistake in the conditions of compensation. They should have returned these sums separately rather than add them to wages and then take them back through taxes.

I think that the current price reform must be carried out by the union government so that the republics will not each play their own game. As for compensation, the republics must carry it out independently. It is necessary to be honest with people here. We must not levy a kopeck for the budget. If the prices for the most important kinds of food are raised by R66 billion, the entire 66 billion ought to be returned to the people.

It is necessary to set rigid prices for vegetables. We now have contractual prices here and they are jumping like fleas. Russia has the possibility of fully compensating for the increase in food prices. This will mean a change in the scale of prices with a one-time change in the scale of money incomes of the population.

As for nonfood commodities, here as well it is no longer possible to hold prices, for the wholesale purchase prices for raw materials have been raised. We need honest dialogue. Let us take the light textile industry. If prices are raised by R40 billion, then R14 billion will go to clear wholesale prices, R8 billion is full compensation for expenditures for children's goods, and we will give R5 billion to the elderly so that they can make up for their losses. The remaining R14 billion must be given back to those who have the lowest income. Then the people will understand that this is not a fiscal operation to rob them but an economic necessity.

[Zhelnorova] The leadership of the union government has sworn that it would return everything to the people. But you yourself know how all of this ended. Do you believe that this action with prices will work out painlessly for us?

[Filshin] Yes, if we see to it that compensation is through the governments of the republics. And we will do this. We will honestly declare that we will fully compensate the losses of those whose incomes are at the minimum subsistence level; those with twice the minimum will be compensated 80 percent and those with three times the minimum will get 50 percent. If they have four times the minimum, we will not give them anything.

We could go for liberalization but the situation in Lithuania has taught us that it is necessary to set maximum prices for all goods. There must be no jumps.

### **Business Travelers Confront High Prices**

914D0153B Moscow IZVESTIYA in Russian 15 Feb 91  
Union Edition p 2

[T. Khudyakov report: "New Victims of the 'War of Laws'—Travelers"]

[Text] Employees sent on business trips around the country this year were unpleasantly surprised: prices for accommodations in hotels have doubled or tripled. Food in hotel buffets is also being sold at so-called contract prices (although it is not understood who has actually made the contract). A set of bed linen on a train will also henceforth cost double—two rubles [R].

But the allowances for travel, confirmed several years ago, have remained unchanged. As a result, business trips have now become some kind of punishment because people must pay for them out of their pocket, and the enterprise cannot reimburse them because there is no official authorization to do so.

Will there be? That is still an open question. It became clear from a telephone conversation with an official at the USSR Ministry of Finance that no instructions have been issued by the Cabinet of Ministers.

In accordance with existing provisions, the prices for hotel rooms are set by the local soviets, and so there is no guarantee that the R15 paid for a single room in February will not be R30 tomorrow. Enterprises cannot pay travelers for their accommodations based on actual cost because, again in accordance with existing provisions, reimbursement of any kind is within the limits of the established norms.

The new model fundamental law on labor has still not been confirmed by the USSR Supreme Soviet. But a law on delineating the rights of the center and the republics already passed, gives the republics the right to establish the amounts of reimbursement, which alas! does not make it possible to achieve even an approximate uniformity when calculating travel expenses.

In the Ministry of Finance they have been considering a scenario to make provision for separate norms for expenses for enterprises of all-Union subordination, and those of republic or local subordination, but then there will be a complete mess.

So that the Cabinet of Ministers does not get a headache over this, on its own responsibility and at its own risk the Ministry of Finance is making estimates of the various scenarios, and both the republics and the center are waging a fierce war, trying to prove to each other whose law is the chief law, and everyone who has to carry out his service duties outside the walls of his own enterprise is becoming an unwilling victim. If this problem is not resolved very soon, I doubt that the numbers of those willing to travel on business will increase.

#### **Estonian Officials on Prices, Baltic 'Experimental' Role**

914D0144C Tallinn SOVETSKAYA ESTONIYA  
in Russian 15 Jan 91 p 3

[Article by Ya. Tolstikov: "On Prices—With the Volume Turned Up"]

[Text] The Economics Department of the newspaper SOVETSKAYA ESTONIYA, carrying through on its

promise, is continuing to keep its finger "on the pulse of prices." Last Friday, a conference was held in the "Maynor" which was chaired by Edgar Savisaar and which involved the participation of representatives of parties and movements operating in the republic, deputies at various levels, key officials of a number of ministries and departments, and production executives. The topic of the conference was the economic situation that has taken shape in Estonia in connection with the rise of wholesale prices in the USSR and the decisions of the republic's government raising retail prices of foodstuffs and certain industrial goods.

Every participant received material prepared in advance, some of which is worth reporting.

As of 1 September 1990, payment of subsidies to the republic for edible fish products from the union budget was terminated. The wholesale prices at which fish coming into the republic is sold as of that date considerably exceeded the previous retail prices; in the USSR, beginning with the 1990 harvest, purchase prices were raised for tobacco, and the republic began to receive tobacco raw materials at higher prices; in the second half of 1990, new wholesale prices were established in the USSR for grain, flour, hulled and rolled products, and products made from them, raw materials for light industry, fuel, and transportation rates. The growth coefficients were as follows:

Bakery products	2.4-3.6
Mixed feeds	2.00
Fish and fish products	1.9-2.4
Tobacco	1.7-2.4
Vegetable oil	2.0-2.5
Sugar	1.5-1.8
Cotton yarn	1.25
Woolen yarn	1.26
Man-made fiber	1.35
Diesel fuel	2.00
Rail transportation	1.35
Motor transportation	1.43

In addition, USSR Goskomtsen [State Committee on Prices] has allowed free setting of prices in the country on sewing machines, bicycles, refrigerators, electric mixers, coffee grinders, hair dryers, vacuum cleaners, electric samovars, electric household appliances of the firm "Straume," furs, carpets, jewelry, radioelectronic products in the first and superior categories, crystal dishware, sets of furniture, automotive parts, a number of imported articles, specialty fish products, and fine brandies.

We will also take note of these figures, especially because this increase could not but affect the rise of retail prices



in our republic. Although wholesale prices are not the whole point. But all this will be discussed below.

In opening the conference, Prime Minister E. Savisaar made public a number of letters received on Toompe in recent days. From the "Estar" Concern in light industry: Unless retail prices are raised, enterprises in the republic's light industry will go bankrupt. Workers in the shale and power industries called upon the government to raise the prices of their products.

The situation is not easy!

P. Tammistu, general director of the Price Department, noted that the Baltic republics are now playing the role of a proving ground for application of the new retail prices. But even in the USSR as a whole they will inevitably rise in the near future; after all, there is no money in the budget to maintain them at the previous low level. The republic's government, understanding full well the delicacy of the situation, has nevertheless undertaken to raise retail prices following the rise of wholesale prices because only in that way, in its opinion, was it possible to maintain at least some goods on store shelves. The rise of retail prices, as is well-known, is being accompanied by measures to offset losses to the public. The actual prices of foodstuffs, it was stated at the congress, will rise everywhere in the country. In many cities, there is not enough food at the low state price even to cover the very low quotas assumed by ration cards and coupons, produce is being purchased on the market, where prices of meat, for example, are reaching an astronomical level. But no measures of a compensatory character are envisaged there.

It is not clear how the reform of pricing will develop in the Union, nor how they intend to offset the rise of retail prices in the country. But we feel that we cannot wait for that reform.

This question was put to the head of the Price Department: Kilka and salaka [types of sprats] are caught and processed within the republic. How is it that the new wholesale price adopted in the Union, which was doubled, has influenced so strongly the retail price of this purely Estonian product? Smoked salaka cost 90 kopeks before and now 5.60 rubles [R]. P. Tammistu, in my view, did not provide a convincing answer to this question. Although he did confirm the danger of enterprises trying to realize excess profits.

After that little warmup for the government (the responses were offered by E. Savisaar and Finance Minister R. Miller), speeches by production executives came showering down on the heads of those assembled; what they had to say boiled down to one thing: It is indispensable to raise retail prices because there have been sharp increases in wholesale prices of raw materials, supplies, fuel, transportation rates, and so on.

"The rise in prices of the products of animal husbandry is indispensable," P. Varik declared, "we only need to set

the maximum prices. Later, as homesteading develops, competition will arise, and prices will begin to drop."

T. Beknazarov, director of the "Pykhyala" Plant:

"In order to guarantee normal wages to our workers, we will be forced to request that the cost of consumer goods be increased, rubber boots above all, by 2.5-3-fold."

A number of questions were put to the director which, to be frank, he had trouble answering. And as a matter of fact, the enterprise is updating its equipment, installing the most up-to-date imported machines, and the production cost is high, labor productivity is dropping, but wages have been rising steadily. It is difficult to explain this in terms of "objective" causes.

A. Nyumaa, director of "Salvo":

"The price of phenol resin plastics has risen 4.6-fold, that of polystyrene has doubled, and it is therefore inevitable that retail prices of the association's product should also rise approximately 1.5-fold."

U. Ottis, department chief in the concern "Estlesprom":

"Wood has more than doubled, and therefore a rise of furniture prices is inevitable, of sets of furniture in particular. But we will try to hold the prices of certain articles at a low level—couches and tables."

A. Kapral, director of the association "Marat":

"The cost of cotton yarn reaching Krengolm has risen 4.5-fold, so that the rise of retail prices of 'Marat's' products is inevitable."

Replying to one of the questions, A. Kapral said that for the present there are no problems with deliveries of cotton raw materials from Central Asia. The world market is oversaturated with this raw material, so that the opportunities for exporting it from the USSR are limited.

O. Klushiya, director of the combine "Krengolmskaya manufaktura":

"How much will the cost-of-living index rise because of the rise of retail prices? At the end of the quarter? But is that not late? We have been unable to explain to people effectively the purpose of making the market economy and raising prices. Nor has the compensation system been well-thought-out."

G. Abramson, deputy president of the concern "Estar":

"Retail prices of the products of light industry are to be raised not only in Estonia, but also in Latvia, Lithuania, and Belorussia."

Analyzing the economic situation, G. Abramson called attention to the following factors:

"It is impossible to cover the rise in the cost of raw materials by reducing the production cost, although this problem should be tackled.

"Second. The possibility is being examined of an immediate introduction of free prices, but is it worthwhile to be in a hurry? Perhaps it would be good to wait a few weeks until both Russia and the other republics take similar steps. In about a month, the country's economy will crash because there is no money in the budget, and, after all, payment has to be made for the wholesale prices that have more than doubled.

"Third. In the course of the month, do not sell consumer goods to the public at all. And a month later, at that point together with the rest of the country, adopt free prices. And explain everything honestly to the people."

V. Tokhver, deputy general director of the association "Estoslanets":

"The prices of shale are to be raised approximately 2.5-3-fold. This is because of the sharp rise in prices of equipment. The additional profit will go to increase the wages of the miners—from R420 to approximately R600 per month, and also to pay taxes on natural resources, which have also risen sharply."

Ye. Moroz, department chief of the Estonian GRES:

"If electric power rates are not raised, the Baltic and Estonian GRES's will end up bankrupt—there is nothing with which to pay the workers."

During the discussion of this statement, however, it turned out that USSR Minenergo refused to raise the rates for electric power of Estonian power plants going to Latvia and Pskov to a sufficiently high level. It is now 2.8 kopeks/kw, but even in this case the plant is operating at a loss because about 50 percent of electric power leaves the republic. But a reasonable question was put to the speaker: Why does the engineer address its demand for raising rates to the republic government? Let it be ruled on by the country's Minenergo. It turned out that the electric power people are submitting plans to raise electric power rates for the republic's enterprises from the present 5 kopeks/kw to 7.5 kopeks. It turns out that the republic's economy would then be paying for the unprofitable power leaving Estonia, which is utterly illogical.

A. Kuddo, minister of problems of social welfare, noted that the rise of prices in the republic is related to events in the USSR. An ever greater amount of money not covered with goods and services is being put into circulation here, and this process in the country is for all practical purposes no longer being monitored by anyone. There are two ways out of the situation: either a monetary reform or adoption of free prices over the entire territory of the USSR.

The cost of living in the republic is rising steadily, the minister acknowledged. To compensate the losses to the public in 1991, the amount of R315 million has been envisaged in the state budget (another 36 million in local budgets). It is proposed that at least R35 per month be spent for every representative of the so-called risk group. But that amount, of course, does not cover all the losses.

The minister also noted that Estonia is the only place where a system of compensation has been worked out and is already in effect.

At the end of the conference, I interviewed several of the participants. I put a single question: How do you evaluate the results of today's meeting?

Robert Vill (PNNE, chairman of the Tallinn branch of the party):

"The processes of pricing have essentially gone out of control of the republic's government. That is in fact why this conference was held, although not as soon as it should have been. Extensive inflationary processes are taking place in our country, we are raising the wages of our workers, their incentive to improve production has disappeared. Enterprises are living one day at a time—the speeches today by the production executives themselves provide factual confirmation of this. Few are concerned now about productivity, and profitability is mainly being achieved by raising prices. Production is essentially monopolized, even in agriculture. Homesteading still has not become competitive to kolkhozes and sovkhozes, and the lack of competition also causes prices to rise. And today I see no prospect whatsoever for a drop in the cost of agricultural production. And the burden of the higher prices is being put on the shoulders of the ordinary worker.

"As for compensation—that program should have been developed and put into effect even before adoption of the new and higher prices. And the system for indexing the cost of living should have been introduced for that purpose in advance, but this, unfortunately, has not been done yet."

Ants Pilving (Estonia Communist Party, head of the Economics Department of the party's Central Committee):

"Today's conference is very important, but it just should have been held much earlier. The reform of wholesale prices in the Union was known about long ago, and advance preparations should have been made, and they only thought of it now. The results of today's conference show that the rise is being caused not only by the rise of prices of raw materials, but also by another circumstance, specifically the desire of production people to increase their wages. For instance, in the fourth quarter of 1990 wages rose an average of 47 percent in the republic, which, of course, could not but affect production costs. But this pertains only to the production sphere, while wages in the nonproduction sector are lagging, funds have to be found in the budget.... This is where voices have been raised—let us raise the social welfare tax from 20 percent to at least 26. But that will cause a new rise of prices, and that means a rise in wages in the production sphere. And so on endlessly; in short, the result is a closed cycle. I think we have to look at the price issue in the context of the economic reform as a whole. The rise of wages can be achieved by increasing output; in our country, the reverse is done—the volume

of production drops, but wages rise, there is no society that can function that way. We have to create a mechanism whereby the state monitors prices and wages. Which obviously will make it possible to stabilize the situation."

Andrey Khodov (OSTK ispolkom):

"I get the impression that they have assembled us here only to sanction the new rise of prices. I do not consider the government's line of argument on this issue sufficiently convincing. Moscow is said to be to blame for everything, and we supposedly have been unable to do anything. But it is forgotten here that the republic does have its own government. The standard of living, as has been stated here, has already fallen greatly in our country, so that adding anything more is a very serious matter. In this situation, the OSTK is in future following not so much prices as the possibility for continued existence of its enterprises and workers. The issue of prices cannot be looked at separately from tax policy, it can be said that we are being squeezed from both sides. In my view, the bungling actions of the republic leadership are being superimposed on the general crisis in the country."

So, some of the results of the first stage of the republic conference on economic policy in the republic and on pricing above all have been totaled up. The second stage is tomorrow, 16 January.

But before concluding, I will try to express my own attitude toward the price situation that has taken shape in the republic.

In my view, the action of the republic's government has been economically astute. The state, including that of the Estonian Republic, does not have the means of covering from the budget the increase in the cost of raw materials, supplies, and other products. Sooner or later, retail prices will rise everywhere in the USSR—the draft of the relevant decree was prepared long ago. There is not much longer to wait (according to the calculations of G. Abramson—only a few weeks). And so in political terms, it seems to me, the Government of the Estonian Republic has underestimated the situation. In formal terms, the food prices in the Russian Federation are remaining unchanged. And it is difficult to prove to some inhabitant of Estonia that low state prices there are only a fiction, at those prices goods are not available even to cover the miserly ration cards and coupons, while prices on the kolkhoz market are excessively high.

Taking all this into account, from my point of view we should still not force events with retail prices in the republic, we should wait until this occurs in the Russian Federation or everywhere in the country. And at this moment to temporarily freeze the decisions already made on the new price increases of foodstuffs, consumer goods, and service charges.

Other measures are, of course, possible, measures expected to calm down the population at this tense

moment, when essentially the republic's very sovereignty and the results of the democratic transformations that have recently been accomplished in the Baltic republics are being put at risk.

It has been proposed that rationing be introduced in the distribution of foodstuffs, and that share sold to the public at a comparatively low price. Everything above that would be sold at the commercial price.

But it makes no sense at all to be hasty with demands for resignation of the government. The new government, should it be created, will be forced to conduct fundamentally the same pricing policy as the present one. In the present economic situation that has taken shape in the country, we cannot avoid raising prices.

### Estonian Visible Trade Statistics

914D0144B Tallinn SOVETSKAYA ESTONIYA  
in Russian 3 Jan 91 p 3

[Unsigned statement: "Official Communication of the Committee for Commodity Trade of the Government of the Estonian Republic"]

[Text] Beginning on 1 January 1991, quotas are being established for the shipment of goods out of the republic in 1991.

A ban will be introduced on shipping out the following commodity groups: ordinary and glazed tile, clay brick for ovens, mine props, posts, veneer blocks, construction timber, wood for industrial processing, firewood, except for white alder, shaved and peeled veneer, white writing paper, drawing paper, TNKShch industrial rubber sheeting, GNS mastic, rubber cement, industrial rubber tubing, articles made of foam latex, barrel staves, wooden barrels, cardboard containers, machine-made lace, children's sleds and plastic skis, candles, furnace castings, headgear, flax fiber (long), gofroplast, margarine products, macaroni products, hulled and rolled products, mineral water, grain, eggs, and fur hides.

The following quotas are set on shipments out of the republic of other commodities: cement—370,000 tons, including 100,000 tons for export; rubberoid RKK—12 million m<sup>2</sup>; asbestos-cement shingles—30 million standard shingles; window glass—450,000 m<sup>2</sup>, including 260,000 m<sup>2</sup> for export; linoleum—65,000 m<sup>2</sup>; concrete tile—2.5 million pieces, including 2.5 million pieces for export; ceramic tile—1.5 million pieces, including 1.5 million pieces for export; mineral wool—50,000 m<sup>3</sup>; crushed limestone—800,000 m<sup>3</sup>, including 150,000 m<sup>3</sup> for export; small wall blocks of cellular concrete made from shale ash—25,000 m<sup>3</sup>; silicate brick—15 million standard brick, including 300,000 standard brick for export; common clay brick—1.7 million standard brick; clay brick for smokestacks—300,000 standard brick; ceramic face brick—3.2 million standard brick; ceramic hollow brick—3.8 million standard brick; brick for refractory lining of heating units—200,000 standard brick; mosaic tile—2,000 m<sup>2</sup>; sidewalk slabs—1,000 m<sup>2</sup>,

hydrobutyl (gidrobutil)—1.5 million m<sup>2</sup>; dolomite tile—40,000 m<sup>2</sup>; TEP tile—3,500 m<sup>3</sup>; ceramic interior face tile—250,000 m<sup>2</sup>; ceramic exterior face tile—200,000 m<sup>2</sup>; polyurethane foam—15,000 m<sup>3</sup>, including 5,000 m<sup>3</sup> for export; phenol foam plastics—43,000 m<sup>3</sup>; carbonate rock—15,000 tons; polystyrene foam—20,000 m<sup>3</sup>, including 5,000 m<sup>3</sup> for export; pulpwood—a total of 212,000 m<sup>3</sup>, including 210,000 m<sup>3</sup> for export, of which 207,000 m<sup>3</sup> will be hardwood, including 205,000 m<sup>3</sup> for export, and 5,000 m<sup>3</sup> will be softwood, including 5,000 m<sup>3</sup> for export; sawlogs, including blocks used for making containers—4,300 m<sup>3</sup>; sawn lumber—15,000 m<sup>3</sup>, including 12,000 m<sup>3</sup> for export; hardwood fiberboard—4.3 million m<sup>2</sup>, including 4 million m<sup>2</sup> for export; insulating wood fiberboard—3 million m<sup>2</sup>, including 700,000 m<sup>2</sup> for export; plywood—13,600 m<sup>3</sup>, including 10,000 m<sup>3</sup> for export; parquet flooring—8,000 m<sup>2</sup>; parquet flooring for decorative borders—4,000 m<sup>3</sup>, including 4,000 m<sup>3</sup> for export; wood chipboard—5,000 m<sup>3</sup>, including 5,000 m<sup>3</sup> for export; wood chipboard stock and components—2,500 m<sup>2</sup>; wood garden houses—25; wooden pallets and parts—10,000 m<sup>3</sup>, including 10,000 m<sup>3</sup> for export; paper for labels—23.6 million m<sup>2</sup>; colored writing paper—28 million m<sup>2</sup>; wrapping paper—1.43 tons; paper for bags—152 tons; paper bags—29.5 million bags; gummed paper tape—60 tons; pasteboard for boxes—460 tons; window sash—5 million m<sup>2</sup>; wood (drevnyye) blocks—3 million m<sup>2</sup>; rubberized insulating tape—50 tons; insulated truck bodies—330 units; truck bodies for grain products—160 units; TZK-30A-2 endless-belt loaders—1,000 units; TZK-50.000A endless-belt harvesting loaders—600 units; automobile safety belts—5 million, including 150,000 for export; excavators—1,465 units, including 250 units for export; 4AM132 electric motors—145,000 units, including 10,000 for export; wiring supplies—5 million pieces, including 100,000 pieces for export; KFZh carbamide resin—5,000 tons; AR-M-2-20 epoxy resin—1,000 tons; car mats—25,000 sets, including 15,000 sets for export; polyethylene film—35 million m<sup>2</sup>, including 25 million m<sup>2</sup> for export; power cable (up to 1 kV)—11,150 km, including 500 km for export; electrical installation wire and cable—63,000 km, including 2,200 km for export; low-voltage cord (on a single-wire basis)—56,500 km, including 2,550 km for export; lamp cord—18,000 km, including 3 km for export; radio wire—54,000 km, including 200 km for export; electrician's wire—16,000 km, including 230 km for export; PVC film—2 million m<sup>2</sup>; cullet—2,000 tons; plastic scrap—650 tons, including 650 tons for export; scrap paper—22,200 tons, including 2,700 tons for export; ferrous metal scrap—200,000 tons; nonferrous metal scrap—10,000 tons; corrugated cardboard—880,000 m<sup>2</sup>, including 250,000 m<sup>2</sup> of three-ply and 630,000 m<sup>2</sup> of double-ply; store fixtures—10.2 million rubles [R]; multipart containers—700 m<sup>3</sup>; ShchKh-1.6-30 refrigerators—25 units; oil enamels—170 tons; nitro products—936 tons; builders' paints—2,600 tons; hard hats for construction workers—550,000, including 35,000 for export; miners' hard hats—32,000; hard hats with earflaps to combat noise—45,000; earflaps to combat noise—33,000, including

3,000 for export; builders' belts—400,000, including 5,000 for export; lawn mowers—1,600; furniture (manufactured by ERSPO for food service counters and enterprises)—R6.6 million; detergents—30,700 tons; perfumery and cosmetics—R30 million; cloth clothing accessories—R11 million; corsetry—R8 million; leather clothing accessories—R3 million; plastic clothing accessories—R35 million; mirrors—R700,000; silver objects—R24 million; articles from German silver—R14 million; carpets and carpeting—4.12 million m<sup>2</sup>; buttons—60 million; flashbulbs—96,000; pianos—140, including 100 for export; school notebooks—10 million; white paper products—R4 million; toys—R20 million; skis—500,000 pairs, including 100,000 pairs for export; tennis, ping-pong, and badminton rackets—1.4 million; ski boots, hockey boots, and figure-skating boots—190,000 pairs; motorcycle and hockey helmets—350,000, including 16,000 for export; basketballs—460,000; children's basketballs—50,000; water polo balls—20,000; wet suits—30,000; aluminum ski poles—180,000 pairs; trailer hitches—4,800; passenger car seat covers—R200,000; electric radiators—27,000; waffle makers—R700,000; lighting fixtures—R9.7 million, including R700,000 for export; high-grade glass dishes—R6 million, including R900,000 for export; ceramic dishes—R120,000, including R80,000 for export; chemical goods—R18 million; wallpaper—5.6 million standard rolls; matches—690,000 standard boxes; furniture (including school furniture)—R85 million, including R15 million for export; aluminum pots and pans—R100,000, including R30,000 for export; enamelware—R20,000, including R10,000 for export; polyethylene film—1.39 million m<sup>2</sup>; sewn garments—R90 million; fur products—R40 million; knitwear—R11.55 million; hosiery—7.8 million pairs, including 1.55 million pairs for export; felt footwear—54,000 pairs; leather footwear—2.9 million pairs; rubber footwear—1.2 million pairs; cotton fabrics—155 million meters; woolen fabrics—2.6 million meters; silk fabrics—600,000 meters; linen fabrics—400,000 meters, including 1.5 million meters [sic] for export; audio cassettes—R16 million; peat briquettes—12,000 tons, including 12,000 tons for export; rendered edible fat—3,500 tons, including 2,400 tons for export; yeast—1,600 tons; tobacco products—1.24 million pieces; flour—16,600 tons; mayonnaise—100 tons; nonalcoholic beverages—200,000 decaliters; confectionery products—14,000 tons; canned fish products—100 million standard cans, including 10 million standard cans for export; fish products—1,040 tons; canned fruits and vegetables—5 million standard cans, including 350,000 standard cans for export; beer—100,000 decaliters; vodka and other hard liquor—100,000 decaliters, including 100,000 decaliters for export; meat and meat products (converted to meat)—31,500 tons, including 250 tons for export; milk and dairy products (converted to milk)—350,000 tons, including 640 tons for export; incubator eggs—18.7 million; powdered eggs—232 tons, including 120 tons for export; potatoes—50,000 tons; vegetables—25,000 tons; pedigreed livestock—30,000 head; chrome leather goods—60 million dm<sup>2</sup>, including 25 million dm<sup>2</sup> for

export; raw hides, total—455,000 pieces, including 160,000 pieces for export, including 15,000 cattle hides, 300,000 pigskins, including 150,000 for export, and sheep and goat skins—140,000 pieces, including 10,000 pieces for export.

In order to obtain a license to ship out goods, the interested enterprise or private person must submit a documented application to the Commodity Licensing Department of the Estonian Republic (200100, Tallinn, Komsomoli, 1, for information by telephone: 68-35-30, 68-37-04, applications for licenses are accepted on working days from 1400 to 1730 hours) on the approved form.

The Committee for Commodity Trade and the entity issuing the state order file the application for issuance of a license to perform trade agreements concluded by the Government of the Estonian Republic and state orders.

### **Estonian Government on Cost-of-Living Compensation**

914D0144A Tallinn SOVETSKAYA ESTONIYA  
in Russian 3 Jan 91 p 2

[Unsigned statement of the Government of the Estonian Republic: "On Compensation of the Rise in the Standard of Living in 1991"]

[Text] Rapid change in prices of goods and services and changes on the labor market and in relations between producers, the trade sector, and purchasers are characteristic of the present economic situation. Inhabitants are finding it increasingly difficult to maintain their customary way of life and pattern of consumption. The economic crisis affects every family and the life of every individual.

The inflationary processes that began in the country in the eighties have now gained strength appreciably.

According to calculations of the Estonian Statistics Department (based on the cost-of-living index), our prices in the third quarter of 1990 were 19.6 percent higher than at the end of 1989. Taking into account seasonal trade, which is mostly enjoying negotiated prices now, prices have risen even 30.9 percent (including 12.9 percent for industrial goods and 9.6 percent for services).

According to approximate calculations, the cost of living has risen almost another 24 percent since the October rise of food prices and 55 percent over the fourth quarter of 1989.

The drop in the standard of living was less substantial because personal money income rose 28 percent over that period.

The rise of prices affects each particular family in different ways. This depends on the volume and pattern of family consumption (the price rise differs from one group of commodities and services to another), that is, it

depends on how successfully the family is able to switch to other goods, reduce consumption, or offset the rise of prices through an increase in income.

In Estonia, industrial goods and foodstuffs are more accessible at present than in nearby regions. This is also confirmed by the explosive growth of retail commodity sales in 1990, whose level was considerably greater than in other republics. Even prices of foodstuffs, which were set as of 15 October, are lower than the market prices in neighboring regions at which the population there must purchase produce. It is logical that this should also have influenced our own market situation.

The government is taking steps to compensate the rise of prices. As of 1 October, the minimum pension has been raised to 100 rubles [R] per month (in the USSR, it is R70), benefits for various groups of the elderly have been increased. We were the first republic to increase benefits for families with many children and to introduce new types of benefits for children, which we did that very same day. Payments for child-care leave during the child's first year and a half of life were raised to R70 per month, the lump-sum benefit for birth of a child was increased to R200, and we began to pay R50 monthly benefits for children not attending children's preschool institutions when the family income does not exceed R140 per person. Almost R30 million have been spent on all these measures taken together. Average monthly earnings of personnel of budget-financed institutions were increased by an average of R50 through the social fund in 1990. And although the wages of personnel in the social sector increased considerably more rapidly than the average republic wage, during the first eight months of the year we were still unable to change the proportions in the level of remuneration of labor that had formed over the decades (the reason for this is the difference in sources of the wage fund: in the one case, this is income from economic activity, while in the other it is the state budget).

The government has offset the October price increase with subsidies totaling more than R90 million. According to calculations, the compensation has entirely covered the rise of prices for families in which the income per person does not exceed R140.

Even though prices of meat, milk, and eggs have shot up in neighboring regions, to this day we are still the only republic offsetting the rise of prices.

Specialists are forecasting that the rise of personal income in 1990 will be at least R1.4 billion, which exceeds the 1989 figure by 33 percent. This growth is distributed extremely unevenly among various population groups because it is not only the income of cooperatives, small enterprises, and personal subsidiary farming operations that is rising rapidly, but also wages in state enterprises. At the same time, commodity sales have also risen by R800-830 million, or 24-25 percent.

These figures confirm the personal money potential (while the volume of production is dropping, worktime losses are rising).

The government's possibilities for regulating the dynamic behavior of prices are limited. As for products shipped into the republic [from elsewhere in the Union], suppliers are using so-called negotiated prices more and more frequently. This is the choice: either take the commodity or it will go off to another market where the demand for it is higher. The government can use only indirect economic levers for putting pressure on producers within the republic: regulate prices through taxes, fines, or other economic penalties and designate those goods and services whose prices are regulated by the state (this can ultimately limit their production). The government can resort to freezing prices only in extraordinary circumstances, and then for a brief period.

Production enterprises are relatively independent today in setting their prices. In raising them, they are trying to increase the wages of their workers, but without increasing production. More and more money for which there is no real commodity coverage is being thrown onto the market. This creates the illusory idea that the standard of living is rising, although only a rise in nominal income is involved. As a matter of fact, disproportions between sectors of the economy and worker wages are deepening, which could result in people's dissatisfaction.

In 1991, we should expect a further liberalization of pricing and a broader spread of free market prices to new groups of commodities and services. The dynamic behavior of prices will begin to be influenced by the reform of wholesale prices, which began in the USSR as of 1 January, by the renunciation of subsidies for housing and municipal services and transportation, by the introduction of negotiated prices in commodity trade through direct economic relations, and by other factors.

The anticipated increase in the Estonian Republic will mainly be related to external factors that do not depend on us. The reform of wholesale prices in the USSR will increase the cost of fuel and energy raw materials shipped in by 2-3-fold on the average. The desire of the leadership of the USSR to regulate the circulation of money and stabilize the entire economy is dubious. The impression is created that it intends by raising wholesale prices to cover the internal debt, the budget deficit, and to continue to issue bank notes. By the end of 1990, the internal debt will amount to R540 billion. In 1991, they intend to put an additional R66 billion in circulation in the USSR. The Estonian Republic cannot allow itself such a flagrant neglect of economic laws, one which will result in further disproportions. We cannot put off decisionmaking to the future. At the same time, we are bound up with what happens in the economy of the USSR.

In economic terms, those regions in which prices and personal income grow faster than the average have more

to gain from inflation. Only in this way is it possible to secure an inflow of goods and raw materials into the republic and thereby stimulate production and an inflow of revenues into the budget. For many reasons, our pricing principles today cannot differ sharply from those in effect in the USSR. For example, we are deprived of the possibility of controlling the issuing of money and the circulation of money as a whole for the purpose, as some people are advising us, to double prices and wages. But the Government of the Estonian Republic will strive to conduct an independent price and income policy, which must take into account the objective laws of economics and will be in line with our own economic structure and the interests of the entire population.

The Government of the Estonian Republic intends to raise prices in 1991; to a greater or lesser degree this will depend on the union reform of wholesale prices. Because of the higher cost of transportation equipment and fuel, prices of motor transport services will rise (with the exception of Tallinn, where fares were raised back in 1990), railroad tickets will increase 1.5-2-fold. Because transportation costs represent less than 4 percent of the budget in personal consumption, the planned rise in the cost of living will amount to less than 2 percent.

Rate schedules for communications services will increase an average of 1.5-2-fold beginning with the new year. Because their share in the consumer market basket is relatively small, this increases the cost of living less than 1 percent.

The rates for municipal services (including heat) will rise an average of 1.7-1.8-fold beginning in January. The rise in the cost of living is being distributed unevenly, affecting the interests of consumers of electric power, which is inexpensive at present (2 kopeks/kwh), and residents of communal housing. The cost of living of the latter may rise as much as 4 percent.

The state subsidy on firewood and briquettes will be retained because they are mainly consumed by pensioners and families with small income.

Commercial prices of most goods imported from abroad will be introduced as of the beginning of the year. In 1990, their share in retail sales was 8 percent. Taking into account the reduction of imports and also their share in the consumer market basket, the rise in the cost of living will be approximately 1 percent.

Beginning on 1 July, rent schedules will be revised. The new rent schedules will be introduced by local self-government as a function of the maintenance costs of the housing. The rent will be differentiated depending on the quality of the housing, the number of conveniences, and the location. This will approximately increase the cost of living by 4-5 percent.

Depending on the rise in the cost of components of the production cost, there will be an increase in purchase prices of agricultural products and the corresponding retail prices. Free market prices will be introduced at the

beginning of the new year on agricultural products sold on the basis of the state order. In the second half of the year, when control will be definitively established over the economic border and a sufficient selection of foodstuffs will be supplied in the trade network, the plan is to introduce market prices for most food. This will increase the cost of living 10-15 percent. It is not precluded that other factors would also affect the food market, and this will have an impact on the general standard of living.

According to forecasts, our life will become 20-25 percent more expensive in 1991 by virtue of the effect of internal factors.

In order to slow down the drop in the standard of living, the government is developing a compensation mechanism. It is intended above all for that segment of the population that is excluded from gainful employment (children, students, mothers on leave to care for children, disabled persons, and the elderly) and also for low-income families and personnel in the social service sector. Cost-accounting (*khozraschetnyy*) enterprises, institutions, and organizations will cover the rise of prices out of their own resources (dependents in the families of workers will receive state compensation on the same grounds as others).

In 1991, the government envisages the following forms of compensation, in accordance with the budget and anticipated revenues:

- R315 million of compensation are envisaged from the budget of the social fund of Estonia in connection with the higher prices of foodstuffs, or R200 for every permanent resident of Estonia. This amount will be distributed analogously to the distribution of the subsidy in the fourth quarter of 1990, i.e., by risk groups. The compensation will thereby be directed above all toward families whose social welfare is less protected. The share left at the disposition of local self-governments will increase because at the local level they have better knowledge of people's economic situation. A system of supplemental benefits is being introduced for indigent families. The funds are being distributed through social security offices. Declared income and the personal statement of the individual are being taken as the basis. The physiological subsistence minimum will be the point of departure in awarding the supplemental benefits. The physiological subsistence minimum and welfare subsistence minimum are determined by the government for individuals and families of differing composition and size.
- Pensions and state benefits, including family benefits, will be increased. For instance, in 1991 the social fund of Estonia is to allocate for pensions R516.7 million (as against R461.8 million in 1990), R61.7 million for family benefits (as against R30.9 million in 1990). When the Estonian Law on Improving the Material Support of Pensioners takes effect, an additional R155.6 million will be allocated to pensions. Thus, funds allocated for family benefits will double

and those allocated for pensions will increase 1.5-fold. Thanks to such measures, the size of the average pension will be higher than the welfare subsistence minimum.

- The wage fund of budget-financed institutions and organizations, which comes out of the republic budget, will be increased. The factor of inflation will be taken into account first of all in the budget. Wages in budget-financed institutions in the social service sector will increase an average of about R300, which will require R157 million of additional funds.
- The government is introducing new levels of salaries and hourly remuneration in 1991; they are adjusted to the dynamic behavior of the welfare subsistence minimum and economic capability. The level of salaries and hourly remuneration will rise in accordance with the cost-of-living index.

The welfare subsistence minimum and physiological subsistence minimum, adjusted for the rise in the cost of living, will be taken as the basis for calculations of wages and state benefits and pensions. The government will assume the duty of supporting all families and individuals living below the physiological subsistence minimum on the basis of its own economic capabilities and taking into account the reasons for the low standard of living. Supplemental benefits in kind are being introduced for indigent families (people's restaurants, meal tickets, food and other assistance, coupons for purchasing industrial goods and produce). The fixed-cost coupons for indigent families introduced in the second quarter are one of the forms of such benefits. They will be used for the purchase of meat and dairy products and commodities for children. The cost of the coupon will offset a portion of the cost of the purchase. Stores will turn in the coupons to the local self-government, which will calculate their compensation deductions from them. The local self-government will determine the number of food coupons and commodity coupons and the proportions between them. According to calculations, 70,000-80,000 persons will make use of coupons of this kind in the republic.

The compensation measures will take effect in the following quarter if the cost of living over the three previous months rises more than 10 percent. When the cost of living rises slowly, the issue of compensation will be decided at the end of the year.

The Statistics Department will publish figures on the level of the rise in the cost of living for each month by the fifth of the following month. The compensation mechanism will be activated during the month following the end of the quarter, by order of the republic government, on the basis of recommendations of the Ministry of Social Security and the Ministry of Finance. Along with the proposal to increase pensions, benefits, and wages, the government will be submitted for its approval the new subsistence minimum as well. A decision of the government will set the specific amounts envisaged to cover the rise of the cost of living over the previous quarter. Compensation will be paid no later than two months after the government's decision is published.



The amounts of compensation follow from the approved budget of the republic and the assumed rise of prices. In all, budget expenditures in 1991 for pensions, benefits, and wages will increase by R400 million, which will increase the tax burden on the potential taxpayer by R500 a year. These amounts will be distributed through the budget among the least protected segment of the population. But a faster rise of prices is also possible, and then the assumed amounts would prove insufficient. In that case, plans are to call on additional sources for the necessary funds. For example, assuming a 2-3-fold rise of prices, there will be a proportional increase in the turnover tax from R550 million to R1.1-1.65 billion. This will cover the additional need for increasing the wage fund of budget-financed institutions. Additional revenues from the rise of prices will be formed on the basis of the excise tax and corporate income tax.

As the wage fund grows, deductions into the social fund will also increase, which will make it possible to increase pensions and benefits. Depending on needs and advisability, the Supreme Soviet and government possess the ability to regulate the amounts of the particular taxes (for example, to increase the excise tax or the level of social service deductions), to set priorities on social service expenditures, to make changes in the budget during the year (for example, reduce expenditures for capital investments, road construction, and so on).

The government does not think that every rise of prices can be offset for every person or family. Compensation is guaranteed above all to those who for one reason or another are unable on their own to offset the drop in their own standard of living. For the gainfully employed population, conditions will be created for more productive work. No one will encourage social parasitism and sponging. Steps will be taken to stimulate the placement of money resources in business enterprise. The public should realize that a mechanical distribution of money when prices are rising, though it can provide for social justice, in the future will still prolong the agony of the economy and will not bring about conditions for the market.

Development of the infrastructure for social assistance, including compensation of the rise in the cost of living, is an important question. The emphasis here will be on local social security agencies, who thereby are taking on functions new to them. The payment of compensation in the fourth quarter of 1990 showed up weaknesses precisely at this level against the general background of the republic's social welfare policy. The offices directly involved in the distribution of assistance as a rule have been given accommodations which are not very suitable. The wages of personnel of these offices are low. During the first quarter of the year, it is essential that we develop this infrastructure and train the necessary personnel.

Up-to-date computers have been ordered for all city and uyezd social security offices. During the year, conditions will be created so that compensation of the rise of prices is paid monthly. The compensation will become an

integral part of pensions and benefits, which will automatically increase in line with the rise in the cost of living.

## FOOD PROCESSING, DISTRIBUTION

### Uzbek Government Takes Stand Against Bread Price Increase

914D0149A Tashkent KOMSOMOLET  
UZBEKISTANA in Russian 20 Dec 90 p 1

[Article by P. Nishanov: "The Latest! Bread Will Not Become More Expensive"]

[Text] The president of Uzbek SSR and the government of the republic have made a firm decision: despite any possible clashes with the union, the prices for bread and flour products in the republic will not rise.

What is behind such a decision? UzTAG [Uzbek Telegraph Agency] correspondent P. Nishanov put this question to Minister of Grain Products A. Mutalov.

Through the better utilization of capacities and the reduction of the time for technical repair and reequipment, we plan by the end of the year to produce 129,000 tons of flour, 5,000 tons of crushed wheat, 2,600 tons of grain products, 4,000 tons of confectionery, and 3,000 tons of macaroni products.

Kazakhstan promised to provide us with grain. Its first shipment has been delivered.

A new mill in the city of Kurgantela that can process 500 tons of grain a day will go into operation within the next few days. Preparations are under way to put into operation new mills in the Fergana settlement of Bagdad and in Dustlik in Dzhizakskaya Oblast.

Since the beginning of the year, 330,000 tons of flour and 49,000 tons of groats have been imported into the republic for the purpose of the continuous provision of the population with grain products. And an additional 50,000 tons of flour will be delivered by the end of the year.

"Hot bread" enterprise-stores and a network of small bakeries are opening to organize the rapid and convenient delivery of bread for the population.

To satisfy the needs of the population for macaroni products this year, new highly productive equipment from Italy was put into operation three months ahead of schedule at the Tashkent bakery and confectionery combine. And this means that it has become possible to produce approximately an additional 2,000 tons of macaroni products. It is planned to set up similar shops next year in the towns of Kuva and Yakkabag.

In accordance with the decree of the Uzbek SSR Council of Ministers on the acceleration of the development of the flour milling industry in Uzbekistan, it is planned to build 23 flour milling enterprises in the next five years.



Their construction has already begun in Shakhrisabz, Urgench, Guzar, and in the settlement of Binokor in Tashkent Oblast.

In addition, the decree points out the need for a further increase in capacities through the expansion of the production areas of operating milling combines and through the technical reequipment of bread plants.

All of this gives reason to think that there is real basis for the government's decision.

### **Tajik Trade Fair, Goods Supply Problems Detailed**

914B0149B Dushanbe KOMMUNIST  
TADZHIKISTANA in Russian 30 Dec 90 p 1

[Interview with Deputy Minister of Trade of the Tajik SSR R.B. Bakhronov by V. Merkulov: "Trade Fair Raises Questions"]

[Text] A republic trade fair for the wholesale selling of food products in 1991 was held in Dushanbe. This was not just a trade fair. What we can see on the store counters and buy in the coming year depends to a considerable extent upon the contracts signed there between the producers of output and trade organizations.

The trade fair had hardly opened when it presented the first unpleasant surprise—the republic's Gosagroprom was not among its permanent participants. Tajik Telegraph Agency correspondent V. Merkulov asked Deputy Minister of Trade of Tajik SSR R.B. Bakronov to comment on this fact and to tell about the course of the work of the trade fair.

[Merkulov] Rakhmon Bakronovich, we know about the purpose of this trade fair—to create an abundance of products on the counters. But who is participating in it?

[Bakhronov] We carry out such fairs every year and enterprises of the ministries of grain products and local industry, Tadzhiipotrebsoyuz [Tajik Consumers' Union], Gosagroprom, and representatives of our ministry always participate in them. But this year Gosagroprom boycotted the fair. Such enterprises as the Dushanbe candy factory "Sirin," a tobacco factory, plants for nonalcoholic beverages, and distilleries of the republic and many other enterprises of Gosagroprom took part in it. The reason for their failure to participate is supposedly the lack of raw materials and packaging. But we think that this cannot be a significant justification for the refusal to participate in this important action.

Knowing the unwillingness of Gosagroprom to participate in this fair, we raised this question repeatedly before the management of this organization and appealed to the Council of Ministers. But it was all in vain. We have absolutely no idea why Gosagroprom took this position.

[Merkulov] But how serious is this? What might it lead to?

[Bakhronov] Judge for yourself. Eighty percent of the food products in the republic come from enterprises of Gosagroprom. If they do not sign contracts with trade, real chaos will begin. After all, the reason that agreements are made is to normalize the system for the distribution of food products in all regions of the republic. But the agricultural industry is insisting that there is no packaging, no raw materials, and no canning containers. How can one explain this to the people? They do not believe in such explanations.

[Merkulov] Eighty percent—a very imposing figure. Judging by the empty counters, however, Gosagroprom did not work very successfully for trade this year either.

[Bakhronov] I will present just a few figures. In the first 11 months of 1990, Gosagroprom's deliveries of its own produce to trade fell short by 6,800 tons of meat products, 3,500 tons of milk, 8,300 tons of confectionery, 6.4 million jars of preserves, and so on. During this period, the trade enterprises received a total of 67.5 million rubles too little in commodities for sale to the population, and 66 million of this shortage is attributable to Gosagroprom. This complicates the work of trade.

[Merkulov] Rakhmon Bakhronovich, I met S.F. Mirazorova, director of the "Shirin" factory, here at the fair. She justifies the refusal to participate in the fair as well as the unwillingness to sign a contract with the fact that the fair committee is setting conditions the factory cannot meet and that the factory itself has signed contracts with its own partners.

[Bakhronov] So here is the key to the failure of Gosagroprom to participate in the work of the trade fair. Its enterprises themselves want to sign contracts that are advantageous to them. But there is one thing that they do not understand: this will actually cost them much more. In addition, and this is especially troubling to us, such agreements are made without taking into account the situation in different regions of the republic. This can create a situation in which there is much in one place and nothing in another.

As for the impracticable conditions of the fair committee, about which S.F. Mirazorova spoke, everything is very simple here. This year the factory's output plan is 25,700 tons. But it wants to reduce this plan to 20,000 tons next year. This same trend is noted in all enterprises of Gosagroprom. Thus, the production of mineral water amounted to 31.2 million bottles this year, whereas next year only 14 million bottles are planned. The Isfara caramel shop with a production capacity of 8,000 tons is offering the republic just 1,850 tons of its output in 1991. Of course we cannot accept this.

And all of the references to a lack of raw materials seem at least unserious. We acquired all of the necessary limits for successful work this year through contracts with union republics. In addition, Gosagroprom has great possibilities for procuring its own raw materials. Moreover, the necessary cooperation in this area is lacking between the enterprises of Gosagroprom. That same

"Shirin" factory cannot produce output because of the lack of intermediate fruit products that are also issued by Gosagroprom enterprises. So here you have the reasons for the lack of raw materials.

[Merkulov] So what can we expect from the coming year?

[Bakhronov] I will repeat: the carrying out of the republic trade fair is an important campaign in the provision of the population of the republic with food products. We, in turn, are doing all we can to improve the situation. Nevertheless, I must say that if Gosagroprom continues to insist on its own way in the future, then the population of the republic will receive only 30 to 35 percent of the goods of the food industry in comparison with this year. For this reason, what is required is the urgent intervention of the republic government in the resolution of this matter.

While there is still time.

#### **Food Coupons Introduced in Krasnodar**

914D0143A Moscow SOVETSKAYA ROSSIYA  
in Russian 8 Feb 91 First Edition p 1

[Article by S. Shipunova under the rubric "Reporting on Problems": "Bringing Coupons" to the Kuban"]

[Text] Krasnodar Kray—Since the beginning of February the population of Krasnodar Kray has been provided food goods in accordance with a coupon system and consumer ration cards.

"So it has come to this!"—that, perhaps, is the most typical reaction to this innovation among local old-timers, who still remember the abundance of food the Kuban was famous for in past times.

It really is a paradox: A land of plenty that for centuries has produced a huge quantity of agricultural products—bread, sugar, meat, milk, vegetables, fruits, and much else—and that has always fed almost half of Russia in addition to its own population, and suddenly—coupons.

But what else is there to do if the shortage of basic food products has begun to take on threatening dimensions in these regions as well? If food products, especially meat, are increasingly being shipped out to the neighboring republics to the south and other regions by itinerant buyers?

Viewing the present situation, the local population unwillingly but deliberately made the transition to coupon trade.

But another event, which coincided with that transition, touched people to the quick. It was a question of a recent meeting of the Russian emergency commission on food which was chaired by B. Yeltsin and I. Silayev and of the serious claims against the kray which were heard there. Their essence was that the local population is supposedly eating an impermissibly large amount of meat at the

same time that people are almost starving in the other oblasts of Russia. The emergency commission charged the RSFSR [Russian Soviet Federated Socialist Republic] Procuracy with bringing action against N. Kondratenko, chairman of the Krasnodar Kray Soviet and USSR people's deputy, for shortfalls in the delivery of meat to Union and republic funds.

This ruling evoked a stormy reaction in the Kuban. And not at all because, as one of the kray newspapers wrote, "they are beating up our people," but because there has not been any meat in the stores for a long time, and on the market the price for a kilogram has reached a level that is unheard-of for the Kuban: 15-16 rubles [R]. Telegrams were sent to the Supreme Soviet and the administration of Russia with the demand that there be a close investigation of "who has eaten whose meat." A rally of Cossacks organized by the Cossack Kuban Rada has adopted a special resolution on the intolerable "restoration of Stalinist methods of grain procurements and compulsory meat deliveries." The bureau of the CPSU kray committee made a statement rejecting "attempts to drive a wedge between the working class of the industrial centers of Russia and the agricultural laborers of the Kuban." This statement was supported by many of the labor collectives of the kray.

So is there a conflict between the kray and the republic?

"We do not want this confrontation," said N.I. Kondratenko. "We have not separated and are not separating ourselves from Russia. We consider it our sacred duty to feed the capital and the industrial centers of the republic. But it is also impossible to ignore the interests of the local population. Therefore we will continue negotiations with the administration. After all it is not a question of sanctions and fines which might be levied against us but of finding a mutually acceptable solution to a problem that has arisen."

What are the residents of the Kuban trying to achieve? Some kind of special position in the republic? Nothing of the sort. On the contrary, they wish to be like everyone else. But this is not permitted them. Occupying one of the first places in the RSFSR for production of meat and dairy goods, the Kuban is in 40th place in the republic for the consumption of meat and 71st place for consumption of milk.

And so the local organs are presenting the government with a legitimate question of the need to move the kray up to Russia's average level for consumption of these products. And nothing else.

But the issue has not been resolved for many years. The former Russian administration acknowledged the justice of these claims, but they asked that the kray wait until the end of the five-year plan—they would correct the situation then. The kray waited. In the meantime they tried to equalize the situation a little themselves. Last year they tried to increase the allotment of meat for veterans of war, widows, victims of Chernobyl, and

veterans of Afghanistan at the expense of the general stocks, which left a deficit for local consumption.

However this was not the main reason for the reduced meat deliveries to state stocks. These days a certain crisis in public livestock breeding, low profitability, and financial losses all exist. As a result there has been a decrease in the total number of livestock and a reduction in the volume of production. Simultaneously, against a background of broken economic ties, there has been an increase in direct barter whereby the kolkhozes [collective farms] and sovkhozes [state farms] are compelled to exchange meat and other agricultural products for wood, slate, cement and pipes... After all, over the last five-year plan the Kuban did not receive promised material and technical resources worth R190 million from the state—resources that were supposed to include tractors, agricultural machines, and construction materials. It was shorted 130,000 tons of mixed fodder alone, which resulted in a shortfall in production of 40,600 tons of meat.

All of this taken together had an effect on last year's fulfillment of the plan for deliveries. Out of the total volume of 228,300 tons of meat, 37,000 tons were not delivered.

The five-year plan has ended, and the new administration of the RSFSR is transmitting to the kray control figures for deliveries in 1991 which put the local population on an even more meager ration, directing them to reduce their consumption of meat and dairy products by 50 percent. This is how they have "corrected the situation"!

Understandably, the session of the kray soviet did not agree with this, and it adopted an alternative government plan for purchasing meat and milk, delivering these products to state reserves, and supplying them to the local population. Characteristically, the total volume of purchases was increased, but local consumption was left at the level of last year. The deputies believe that people today would not understand or accept any other decision.

And in the meantime, they are "bringing coupons to the Kuban," as they bitterly joke here. Now each resident registered in the kray is to receive the new Kuban "currency" worth a total of R50 per month. The list of goods which are subject to sale by coupon includes everything but bread, several types of candies, alcoholic and nonalcoholic drinks, mineral water, and bottled juices. Everything else, including tobacco products and, first and foremost of course, meat and dairy products, can only be purchased now by presenting a consumer ration card and a coupon.

## ENERGY COMPLEX ORGANIZATION

### More on 1957 Chelyabinsk Nuclear Accident

914E0049A Moscow TRUD in Russian 24 Jan 91 p 3

[Report on the 1957 Chelyabinsk nuclear accident by I. Tsarev: "The Hostages of Secrecy"]

[Text] On a September morning in 1957, the courtyard of the Bauman Rayon enlistment office was filled with excited boys with shaved heads. The conscription was in progress. The music played and the military commissar made a solemn speech. Mothers, who came to see their sons off, were crying. None of them knew that this Moscow unit—which received the designation Number 360—was being sent towards a disaster...

Says V. Popov, now a senior engineer at the CPSU Central Committee publishing house "Pravda":

"The train brought us to the vicinity of Chelyabinsk and stopped at some unnamed platform. Then we were transported by trucks to the barracks, washed up in the baths, and received military uniforms... The weather was warm and calm. We were in an elevated mood. But the first day of service already held a surprise.

"I was looking with interest at the surrounding area through the barracks window. I saw a sports grounds, a wooden fence, and a yellowing wood grove... Suddenly a dark gray mound rose over the trees. The deafening thunder shattered the glass in the windows into small bits. I was thrown back into the corridor by a bouncy air wave. Then it was quiet again. Meanwhile black flakes that looked like pieces of burned paper started to fall on the barracks from the sky. We were catching them and examining them with curiosity...

"Then we were given dinner and loaded back into the trucks, together with the suitcases that contained our civilian clothes; this time the trip was quite long. To be honest, at that time I had no idea that I had become an unwitting witness to a very dangerous accident—a powerful blowout on one of the secret projects. Nor was I alarmed by the fact that the same day we were put through a scrubbing in the baths again, while our suitcases with civilian clothes were being burned.

"The understanding came half a year later, when I began to suffer from lightheadedness, nausea, ringing in the ears, and a constant sensation of being hungry, as well as many other symptoms of radiation poisoning.

"As a result, I found myself in a military hospital in Sverdlovsk, where they ran some tests on me and... let me go. Ever since then, and up to this day, every once in a while the skin on my hands and feet cracks and then oozes blood, taking a long time to heal. I have a permanent peeling red spot on my chest. I suffer from muscle, liver, and back pain...

"Now I understand that, just like many other soldiers who served in that area, I had become a victim of the seal

that says: 'Secret.' It is only recently that the world has learned about the existence of a mysterious city—Chelyabinsk-40—where work on the 'nuclear safety shield' had been conducted. Only recently have we learned about a powerful accidental discharge at the nuclear waste site in 1957. As a result of this disaster, a large territory—known to the specialists under the code name of VURS, which means East-Urals Radioactive Trail—had been poisoned. The sad statistics of this zone, poisoned by the radioactive dirt, are still foggy.

"In those years, however, the incident was covered by an impenetrable curtain of secrecy. Nobody even mentioned potential contamination to us.

"I honestly served my term, did not goof off, went where my commander ordered me to go. Now I am 52. I am very ill. Therefore, I recently took a chance and wrote a letter to the USSR minister of defense, asking for early retirement pension as a Soviet Army invalid. In return, I got a variety of formal replies. I was informed that there was no discharge, that I could not be subject to that discharge because I was not still in the military service... From the military unit in Chelyabinsk area I even got a letter saying 'You registered 23.54 Roentgen external radiation in May 1958,' although I had clearly stated that I happened to be near the nuclear discharge on the first day of my arrival, in September 1957...

"Most important, I still did not get any help. And the sad thing is that I am not alone in this. In 1957, tens of Muscovites from Unit 360 and other military people were in the area of nuclear catastrophe. I believe that the state has not taken care of them, either."

Alas, it is true that much has been forgotten, and sealed in secrecy for an extra measure of protection. Or perhaps Vladimir Pavlovich Popov exaggerated? But here in front of us is his medical history. There is a description of a bouquet of all kinds of ills; there is not a word, however, about the main source of his ills—radiation.

We found another participant of those old events of 1957.

Says B. Komarov, an artist who now works at OGONEK magazine:

"I also served near Chelyabinsk during the same year. On that particular day I was where Popov was. I felt the 'nuclear discharge' with my own body. I still have oozing sores that never heal. No, I have never appealed for any help because I figured that it was useless. What rights can I talk about if the accident itself did not even exist for many years? Only recently was it mentioned publicly. Independent experts and representatives of major U.S. nuclear defense centers visited the site... But still nobody is talking about compensations for the people who suffered from this discharge. Have you been there? There is a cemetery there that makes your hair stand up: when you read the dates on the gravestones, you see that there are only young people buried there..."

The shroud of secrecy gradually slips off old events, sometimes revealing a frightening picture. Are there similar incidents that have been left "out of the picture" in locked and sealed safes? How many: one, two, ten? And who should help the people who have suffered from what had never happened? Today, when the events in Chelyabinsk-40 are no longer a secret, the conclusion is obvious: the USSR Ministry of Defense must reply in substance to V. Popov's inquiry. It is also obvious that this ministry and other related government departments must make an effort to locate former servicemen and civilians who were exposed to radiation, and provide the necessary help, late as it is. This should not be an act of charity—the state has an obligation to pay these people back what it has borrowed from them.

### Transcaucasus Energy Crisis Viewed

914E0058A Moscow PRAVDA in Russian 15 Feb 91  
Second Edition p 2

[Article by A. Marchuk, doctor of technical sciences: "Who Needs Us If We Have No Energy?"]

**[Text] As PRAVDA has already reported, more than 100 enterprises in Georgia have ceased operations. There has been no electric power for three months now. In Armenia, intake power to all enterprises has been restricted 20 percent, and energy-intensive metallurgical plants have come to an almost complete standstill.**

Supplies of fuel oil for electric power stations in the Transcaucasus are poor, there are gas shortages, and the reservoir at the Inguri Hydroelectric Power Station [GES] is below the "stagnant level." People unaccustomed to cold and darkness and to blank television screens are suffering.

The USSR unified power system, of course, is not leaving them to their misfortune. Current from the power stations of the North Caucasus and the Ukraine is being taken through the mountains to Georgia, but not much, and it is not enough.

Crises usually occur unexpectedly, as the result of a chance coincidence of circumstances that is difficult to foresee. But the energy crisis in the Transcaucasus is something that we ourselves have made, so to speak. In 1988 under public pressure, the Armenian Nuclear Electric Power Station [AES] was shut down, even though it had withstood the earthquake quite well and could have operated for another three or four years pending new capacities to replace it. But the AES was shut down at the very time when homeless people in Spitak and Leninakan were freezing. It meant the loss of more than 10 percent of all the operating energy potential of the Transcaucasus. They precipitated the crisis, and it started. Already by the winter of 1989 Union industry in Georgia and Armenia was operating at only one-third of capacity. Georgia lost gross output worth more than 1 billion rubles [R]. It was not possible to bring the new power unit at the Azerbaijan State Regional Electric Power Station [GRES] on line.

And at that time, under ecological banners, an anti-energy campaign was gathering strength in Georgia. Construction of the Khudoni hydroelectric power station on the Inguri River, a high-voltage transmission line along the Black Sea littoral, and the second section of the Caucasus gas pipeline was subjected to attacks at meetings. Demands were made that the Inguri GES be shut down. With the aid of hunger strikes and weapons, the construction site at Khudoni was closed, for which hard currency had been used to purchase highly productive equipment in the United States in order to accelerate construction. The apotheosis of this struggle was the seizure of the Inguri GES by a group of terrorists who disarmed the guard and broke into the underground building of the power station. Threatened by pistols, personnel shut down the power units and were forced to open the empty spillways of the dam. The GES, known throughout the world, was for three days a hostage of political passions.

It would be interesting to know how the "architects" of the energy crisis now feel, for example, the professors who brought students from Tbilisi to block construction of the Khudoni GES. The first hydroelectric power unit of that power station could have been operating today. Where are the people who halted construction of the gas pipeline, needed so much today by the power units of the Tbilisi GRES?

Bitter experience has been gained in the Transcaucasus—experience in the use of power engineering as a political weapon. Even quite recently the shortfall in electric power within the unified energy system for the Transcaucasus was split in a fraternal manner between the three republics. Then the manipulation of the valves on the gas pipelines started. The brotherhood among electric power workers lasted longer than most. And then suddenly a certain "Alliance of Independent Power Workers of Georgia" appeared on the scene and decided to switch off cities in South Ossetia—Tskhinvali and Kvaisi. And there sit the people in cold houses, the sick, women, old folks, children...

The USSR unified power system—lighting and heat, mutual assistance, energy. How is it possible to encroach on all that?

We should be aware that today's energy situation in the Transcaucasus is a model for tomorrow's condition throughout the entire country, where construction on nuclear and hydroelectric power stations, gas pipelines, and power transmission lines has been halted. Let me remind you that at the USSR First Congress of People's Deputies, 10 deputies elected by the people spoke out against the construction of almost 20 power stations in the name of protecting nature. And they were off. In two-and-a-half years the USSR Ministry of Power and Electrification was showered with more than 1,500 critical published pieces and numerous accusatory movies and television broadcasts. Venerable academicians ecologists inveighed against the "mercenary and criminal interests of the departments."

The "fourth estate" showed its strength. While the design institutes labored to improve the ecological cleanliness of new energy units, soviets at all levels, pressured by the "greens" among the public, hastened to close down the nearest power units and refused to become involved with new ones. It was for this reason that the planning and construction of 64 power stations and energy units with a total combined capacity of 160 million kilowatts have been halted. According to calculations by the USSR Academy of Sciences, if we do not succeed in averting the cutback in the generation of electric power, by 1995 public consumption funds will have shrunk R140 billion, or 22 percent, compared to those approved by the USSR Second Congress of People's Deputies.

It is surprising why our judicial system, which dreams of a rule-of-law state, has in no way been troubled by the bacchanalia of closures of construction sites started in accordance with a legal plan approved by the USSR Supreme Soviet. Is it unfashionable? Unpopular? But who, then, will answer for the billions of expenditures wasted on halted construction?

A good 100 institutes of the Academy of Sciences, the State Planning Committee, and the ministries and departments in the fuel- and-energy complex have been working for five years on a USSR Energy Program, using multimillion allocations and armed with powerful computer equipment. Up to now without result. But it is precisely now that what is needed is not simply an energy program but a plan for emergency measures. Who needs us if we have no energy?

The country has moved into this winter with a large fuel balance, which alas! will not be the case next winter. The state, which possesses the world's largest energy resource potential, has virtually with its own hands created a very serious energy crisis. And until we extricate ourselves from it, the debates in the parliaments about economic reform, ownership, an upsurge in agriculture, and social safeguards for people, are futile.

## FUELS

### Ukrainian Coal Production Figures Issued

914E0055A Kiev UGOL UKRAINY in Russian No 10, Oct 90 pp 42-43

[Unattributed article: "The Coal Industry of the UkSSR in the First Half of 1990"]

[Text] Some 87.06 million tons of coal were produced in the republic in the first half of 1990, comprising 99.3 percent of the plan and 90 percent of the level for the corresponding period in the prior year (Table 1). A trend toward further reductions in the volume of coal production typified all of the associations, and was caused by the aging of the mine stock with clearly insufficient rates of modernization, a worsening of the mining conditions with depth and various organizational reasons. Only nine of the 22 associations fulfilled the half-year production plan.

Table 1

Production associations	Production of all coals			
	Plan, 000 tons	Actual, 000 tons	Percent of plan	Percent of 1st half of 1989
Donetsk Oblast	42443	42437	100	89.6
—Donetskugol	9555	9840	103.0	90.6
—Makeyevugol	5948	5851	98.4	89.4
—Krasnoarmeyskugol	4330	4548	105.0	89.1
—Selidovugol	2690	2828	105.1	96.0
—Dobropolyeugol	3460	3600	104.0	96.0
—Artemugol	2957	2845	96.2	82.6
—Dzerzhinskugol	1406	1372	97.6	87.0
—Ordzhonikidzeugol	2352	2266	96.3	86.7
—Shakhterskugol	5705	5302	92.9	88.5
—Torezantratsit	4040	3985	98.6	87.9
Lugansk Oblast	27985	27559	97.7	90.3
—Luganskugol	4191	4235	101.0	90.4
—Stakhanovugol	3109	3142	101.1	93.6
—Pervomayskugol	1890	1755	92.9	89.4
—Lisichanskugol	1595	1597	190.1	92.0
—Krasnodonugol	3825	3838	100.3	94.1
—Donbassantratsit	3565	3440	90.3	82.1

Table 1 (Continued)

Production associations	Production of all coals			
	Plan, 000 tons	Actual, 000 tons	Percent of plan	Percent of 1st half of 1989
—Antratsit	2075	1831	88.2	83.8
—Rovenkiantratsit	3675	3693	100.5	93.1
—Sverdlovantratsit	4060	4028	99.2	92.1
Pavlogradugol	6583	6662	101.2	87.9
Ukrzapadugol	5936	5871	98.9	88.2
Aleksandriyugol	1592	1463	91.9	96.0
UkSSR	87657	87056	99.3	90.0

Underground coal production totaled 83.79 million tons, and open-pit production was 3.26 million. Hydraulic mines put out 1.45 million tons of coal, or 107.4 percent of the plan and 100.9 percent of the level for the comparable period. Some 78.81 million tons of coal were obtained from working faces, or 97.6 and 89.8 percent respectively. Some 107.29 million tons of coal were shipped to consumers in January-June 1990—69,000 tons less than envisaged by the plan. The enterprises of Donetsk Oblast and the associations of Pavlograd and Ukrzapadugol were able to fulfill the plan. The shipment plan was not fulfilled by the enterprises of Lugansk Oblast and the Aleksandriyugol Association. Coal residue in storage areas had reached 7.06 million tons as of 1 Jul 90 (in the face of a standard of 4.24

million), including 6.5 million tons in tailings dumps. The coal residue for coking was less than the standard (0.81 million tons with a standard of 1.09 million, including 0.61 tons in tailings dumps). The ash content of the coal produced was 29.4 percent versus a standard of 29.6 percent, and 17.9 with a standard of 18 percent for coal shipped.

Some 35.72 million tons of coking coal were produced. Output dropped by 8.6 percent compared to the first half of 1989, despite the fulfillment of the plan by 100.6 percent.

Only six of the 15 associations whose mines produce coking coal were able to manage plan fulfillment (Table 2). A drop in the production volumes of coking coal occurred at all associations.

Table 2

Production associations	Production of coking coals			
	Plan, 000 tons	Actual, 000 tons	Percent of plan	Percent of 1st half of 1989
Donetsk Oblast	24839	25224	101.6	89.0
—Donetskugol	7253	7513	103.6	89.1
—Makeyevugol	5668	5581	98.5	88.9
—Krasnoarmeyskugol	4120	4347	105.5	89.5
—Dobropolyeugol	2690	2817	104.7	94.6
—Artemugol	2693	2586	96.0	82.0
—Dzerzhinskugol	1406	1372	97.6	87.0
—Ordzhonikidzeugol	810	809	99.9	93.4
—Shakhterskugol	199	199	100	95.7
Lugansk Oblast	6230	6120	98.2	93.2
—Luganskugol	200	186	93.0	105.7
—Stakhanovugol	1485	1469	98.9	90.6
—Pervomayskugol	795	686	86.3	90.3
—Krasnodonugol	3750	3780	100.8	94.2
Pavlogradugol	1557	1434	92.1	133.9
Ukrzapadugol	2870	2938	102.4	95.3
UkSSR	35496	35717	100.6	91.4

Table 3 presents the principal mining indicators. It must be noted that the average operating number of working faces was 69.6 less, their average total operating length was 2,367

meters less and the average monthly face advance was 2.2 meters less than the plan. These indicators are also lower than those achieved in the first half of 1989.

Table 3

Production associations	Average number of working faces	Average operating length of faces, meters	Average monthly face advance, meters	Average daily face output, tons
Donetsk Oblast	856.5	132915	29.6	273
—Donetskugol	178.7	32973	27.3	305
—Makeyevugol	114.2	19715	26.6	277
—Krasnoarmeyskugol	31.9	6569	52.2	779
—Selidovugol	30.6	5122	49.5	481
—Dobropolyeugol	28.8	4656	69.5	703
—Artemugol	131.9	14572	23.8	124
—Dzerzhinskugol	66.8	8165	19.8	109
—Ordzhonikidzeugol	105.2	11527	24.0	116
—Shakhterskugol	90.5	17539	27.0	317
—Torezantratsit	77.9	12077	26.8	292
Lugansk Oblast	430.9	74338	29.9	352
—Luganskugol	64.6	10939	34.8	352
—Stakhanovugol	98.2	15788	21.3	187
—Pervomayskugol	35.1	6573	21.9	287
—Lisichanskugol	18.5	3474	33.2	464
—Krasnodonugol	53.3	8567	33.8	390
—Donbassantratsit	57.5	10248	25.5	318
—Antratsit	20.1	5329	22.5	357
—Rovenkiantratsit	39.8	7559	36.9	508
—Sverdlovantratsit	34.8	5861	51.0	610
Pavlogradugol	62.4	10503	62.8	580
Ukrzapadugol	73.5	11017	43.5	493
Aleksandriyugol	13.6	1212	46.7	655
UkSSR	1436.9	229985	32.0	324

Coal production per square meter of seam area undercut was equal to 1.79 tons. The average daily output at the working face was 324 tons, or 100.6 percent of the plan and 97.6 percent of the comparable measure. The highest average daily production at the working face was achieved at the mines of the associations in Krasnoarmeyskugol (779 tons), Sverdlovantratsit (610 tons), Pavlogradugol (580 tons) and Rovenkiantratsit (508 tons), i.e., in those places where the level of comprehensive

mechanization of face operations [KMZ] is higher and mining technology is utilized more efficiently.

The proportionate share of all coal production using KMZ at operating faces was 69.4 percent, versus a planned level of 67.6 percent, and had increased by two percent compared to the prior year's indicator. Table 4 presents the principal KMZ indicators. The average daily production from a single face was equal to 534 tons, or 106.4 percent of the plan and 97.4 percent of the level for the comparable period.

Table 4

Production associations	Average operating quantity of KMZ	Average total operating length of KMZ, meters	Average daily output using KMZ, tons
Donetsk Oblast	303.0	49209	493
—Donetskugol	64.9	13174	539
—Makeyevugol	34.3	6789	530
—Krasnoarmeyskugol	28.7	6138	869



Table 4 (Continued)

Production associations	Average operating quantity of KMZ	Average total operating length of KMZ, meters	Average daily output using KMZ, tons
—Selidovugol	20.2	3125	580
—Dobropolyeugol	21.7	3582	787
—Artemugol	35.1	1623	145
—Dzerzhinskugol	8.1	568	119
—Ordzhonikidzeugol	18.5	1040	130
—Shakhterskugol	32.2	6718	528
—Torezantratsit	30.3	6452	420
Lugansk Oblast	183.9	32174	542
—Luganskugol	26.4	4396	494
—Stakhanovugol	11.8	1907	378
—Pervomayskugol	6.1	1102	518
—Lisichanskugol	13.0	2449	568
—Krasnodonugol	26.8	4653	625
—Donbassantratsit	30.9	5653	409
—Antratsit	14.2	2380	449
—Rovenkiantratsit	21.6	3974	671
—Sverdlovantratsit	33.1	5660	633
Pavlogradugol	55.6	9569	629
Ukrzapidugol	51.6	8233	624
Aleksandriyugol	13.6	1212	635
UKSSR	607.7	100397	534

Table 5 [Table 5 missing from original] presents the amounts of development workings using both in-house and contract resources at the mines of the UkSSR, and includes both stripping and developmental. A marked reduction in the amounts of shaft driving for all workings occurred for all associations and the republic overall despite the fulfillment of the driving plan, which could not help but have a negative effect on the development of mining operations and the development and operational start-up of working faces.

The proportionate share of workings with mechanized coal and rock loading remained at effectively the same level,

and only a third of workings are made with the aid of driving machinery. The proportionate share of workings that are made by that machinery fluctuates from 1.1 to 12.1 percent (Table 6). The inadequate level of mechanization of development operations is conditioned by their high labor-intensiveness and poor rate of driving of the workings. Some 3,721 meters of vertical shafts (157 meters less than the plan), 1,874 meters of slopes (348 meters less), 72,967 meters of crosscuts (4,589 meters less) and 139,887 meters of inclines (4,674 meters less) were made over the first half of 1990.

Table 6

Production associations	Proportionate share of workings using mechanized coal and rock loading, percent			
	all		including using driving machinery	
	1st half of 1989	1st half of 1990	1st half of 1989	1st half of 1990
Donetsk Oblast	83.5	84.2	32.9	32.8
—Donetskugol	84.4	86.3	32.5	37.8
—Makeyevugol	74.0	77.3	30.8	30.9
—Krasnoarmeyskugol	96.6	98.1	78.0	80.0
—Selidovugol	84.6	88.3	49.8	46.4
—Dobropolyeugol	97.9	96.4	79.7	75.1
—Artemugol	100.0	100.0	1.8	0.9

Table 6 (Continued)

Production associations	Proportionate share of workings using mechanized coal and rock loading, percent			
	all		including using driving machinery	
—Dzerzhinskugol	99.6	99.6	1.7	0.8
—Ordzhonikidzeugol	91.7	93.0	—	—
—Shakhterskugol	64.8	60.8	25.4	25.2
—Torezantratsit	65.8	66.7	4.2	6.2
Lugansk Oblast	76.2	72.9	14.2	12.8
—Luganskugol	83.0	78.8	21.8	20.9
—Stakhanovugol	80.3	77.2	4.2	4.1
—Pervomayskugol	74.5	71.8	18.0	12.1
—Lisichanskugol	87.5	87.7	40.7	41.6
—Krasnodonugol	88.0	85.5	28.3	28.8
—Donbassantratsit	84.4	81.5	9.2	11.0
—Antratsit	60.6	58.2	8.3	3.1
—Rovenkiantratsit	52.4	47.0	6.8	3.6
—Sverdlovantratsit	69.1	62.5	4.4	4.1
Pavlogradugol	98.1	98.6	97.4	97.2
Ukrzapidugol	86.0	86.2	69.3	68.3
Aleksandriyugol	76.8	70.7	76.6	70.7
UkSSR	82.1	81.5	33.9	33.5

The prepared coal reserves of the Ukraine totaled 151 million tons on 1 Jul 90, or 97.7 percent of the plan and 98.6 percent of the level for the comparable period; the coal reserves that were ready for extraction totaled 0.35 million tons, or 98.3 and 92.2 percent of the plan. The plan for stripping operations was fulfilled by 102.6 percent.

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## ELECTRIC POWER GENERATION

### Prospects for Cleaner Power Generation Program Explored

91WN0195A Moscow IZVESTIYA in Russian  
27 Nov 90 Union Edition p 2

[Article by IZVESTIYA correspondent A. Illarionov, Novosibirsk: "It Gives Us Heat but Also Poison: What the Energy Program Has in Store for Us and Nature"]

[Text] During the current heated discussions on how to save ourselves from the energy crisis the power engineers have already been subjected to so many accusations that we can sympathize with them and even try to believe their reassuring statements which promise so much. But we cannot ignore an extremely important aspect of this work: What will the Energy Program cost us in terms of nature's health, as well as your health and mine?

In the area of the Ekibastuz GRES-1 [state regional electric power station] (which holds the world record for explosions and fires), alkaline dust burns pasture lands for tens of kilometers around. In places the soil looks as though ash from Kamchatka volcanoes had been brought in. The sheep definitely do not like it here, something which also concerns man, but the latter patiently adjusts to it. It is true that he does not suspect that the ash from the thermal power plants is not only alkaline, but also contains salts of heavy metals, which possess carcinogenic and mutagenic properties.

But even 10 years ago the Ekibastuz GRES was thought to be a significant step toward power generation for the future. Probably because those who designed this project were carried away by power capacity and were insufficiently concerned with problems of ecology. The energy shortage required that the construction of new facilities be accelerated. But no thought was given to the possibility that these giants would function as if in some horror story.

The extensive network of thermal power plants located throughout the country's vast territory has led to a situation in which their gaseous-dust trails, connecting up into dense poisonous clouds, from time drop acid rain onto the earth. The carbon dioxide saturating the atmosphere produces the greenhouse effect and promises global climate changes. And not for the better, of course.

The external manifestations of inadequate power engineering (and it is by no means inadequate in terms of capacity, providing us half of our heat supply) are no less

insidious. In particular, the boilers stokers, who operate mostly within the cities, are not taking the trouble to maintain good conditions in the furnaces, and for this reason the latter are discharging into the surrounding areas substances such as benzopyrene, which are little known to the population as yet but which have strong carcinogenic effects.

The conclusion is simple: before it is too late something must be done about thermal power generation. It would seem that the easiest and cheapest way out is to convert the TETs's [heat and electric power station] and boilers to gas. In this regard Novosibirsk is lucky: a large-capacity gas pipeline has been built. The citizens are satisfied, and the representatives of the oblast environmental protection committee have expressed particular satisfaction. But it would not be good for the ecologists to get too complacent. The deposits of this ecologically quite clean fuel are gradually becoming exhausted. And whether we want to or not, we will have to return to coal in the not-too-distant future.

This is all the more inevitable because in the immediate future we intend to leave behind with minimal losses the country's chronic shortage of electrical and thermal power. We can comfort ourselves that science knows what has to be done to reduce harmful emissions from thermal power plants. A scientist from Akademgorodok was trying to learn from colleagues in the FRG what the situation is there. He received the answer that in Germany this problem will be fully resolved within the next 15 years.

But what in Germany is natural and simple is for us a serious problem. The difficulty is above all that ecology comes into conflict with our traditional power-generation technology.

This might seem strange given that our boiler-building industry is one of the strongest in the world, and scientifically the industry has enormous experience and outstanding traditions. But, first of all, the requirement for an absolute increase in capacities could not fail to have an effect on it. And, in the second place, the oil euphoria at one time diverted many scientists from the problems of efficient and ecological coal combustion.

Six years ago at a conference on the combustion of solid fuel in Akademgorodok, Academician Ya. Zeldovich, who was talking about progressive methods of coal combustion, called on scientists to concentrate on the ecological problems of power generation. His proposals were approved, and we went to work on them with our characteristic lack of speed.

The scientific support for the ecologically clean thermal power generation of our future is being coordinated from the USSR Academy of Sciences (AS) by the Institute of Thermal Physics of the AS Siberian Division (ITP), which is headed by Academician V. Nakoryakov and well known for its traditions. The institute's potential in the mathematical modeling of combustion and heat exchange processes arouses interest abroad as well. How

tempting it would be to propose to foreign boiler-making companies an exchange of scientific information and practical designs in order to accelerate the realization of those designs in our country...

But it would be a very great injustice to say that we have shown only negligence in the realization of scientific designs. In this regard A. Burdukov, ITP deputy director and doctor of technical sciences, reminded me of the work by the Leningrader N. Golovanov, designer of an experimental-industrial boiler—a prototype of the powerful KATEK boilers of the future—with a surprising vortical stoker. (I had the good fortune to go inside it when it was being installed). Its geometry creates something like a horizontal whirlwind of fire for the rapid and complete combustion of coal particles. N. Golovanov is not with us today, but his boiler has provided millions of kilowatt hours of power, and today it is a reality. However, the process of refining it ecologically has dragged on for more than six years and there is no end in sight.

It is true that a whole program for ecologically clean power generation has been worked out. Its authors cannot be accused of excessive optimism or lack of self-criticism. They recognize that the technical problems of reducing carbon dioxide emissions were not worked on before, and that the problem of using and reusing water in a closed supply system is now a serious one, which is related to the problem of heat pollution of rivers and lakes. As gigantic new power installations come on stream, the risk of this kind of pollution increases.

The program frankly recognizes that even if devices to reduce emissions of sulfurous and nitrogenous oxides are introduced in the 13th Five-Year Plan as expected, the atmospheric emissions of sulfurous oxides at 80 plants will increase up to the year 2000, while oxides of nitrogen will remain at the previous level (if one is to believe other scientific sources, they will increase). In short, by the beginning of the 21st century every square kilometer of the country will receive annually six to seven quintals of these oxides. And if one takes into account harmful discharges of chemicals—it will be an entire ton.

How long can nature hold out against such striking cruelty? I addressed that question to Galina Ilinichna Girs, doctor of biological sciences and laboratory head at the USSR AS Siberian Division's Institute of Forestry and Timber.

It turns out that, fortunately, the power specialists will not succeed in killing off the soil. The soil possesses colossal reserves of resistance against this poisoning. But the vegetative cover will react to regular emissions, especially in regions of elevated pollution. The first to retreat are the lichens, including reindeer moss, which is the principal food of deer. Next to retreat are the mosses, and then the coniferous forest. As it degrades the annual growth of wood is reduced, as is the life span of the trees.

The deciduous trees will be forced to drop their leaves in the middle of summer (as the aspen in the Central Volga area already do). If this is repeated regularly, they will use up more rapidly their vital resource—the last step in the destruction of vegetation is the degradation of the grass cover.

The air pollution from industry spreads beyond the country's boundaries as well. In Norilsk they told me that Canadians had made claims on a Norilsk combine. I addressed this same question to specialists on the chemicalization of agriculture at the Siberian Division of VASHKNIL (All Union Academy of Agricultural Sciences imeni V.I. Lenin). They agreed that a ton of oxides per square kilometer per year is a lot. But they went on to complain that the industrial oxidation of soils and specific agricultural crops is a problem which has not yet been thoroughly studied.

And it turns out that the growth in harmful industrial emissions is outstripping growth in the study of their consequences. If things continue this way, there may come a time in the near future when the biological objects of study are not there any more; there will be nothing to study.

What is the solution? I tried to obtain an answer to this question from the creator of well-known ecological technologies, Yu. Matrosov, laboratory chief at the Institute of Catalysis of the USSR AS Siberian Division:

"I have the greatest respect for my colleagues at the Institute of Thermal Physics and for their important and promising designs," he said, "but the time periods required for ecological improvements in power generation do not suit us. We cannot wait for a massive change in the equipment at power stations (which will cost tens of billions of rubles); it is essential to do something today to treat the harmful emissions of existing TETs's, GRES's and boilers. Specifically, treatment devices which use the method of nonstationary catalysis make this possible. These devices are simple to install and manufacture; the method which is the basis for their operation was developed at our institute, and it is widely recognized in such industrially-developed countries as Japan, FRG and the United States of America."

This formulation of the question is attractive because it gives priority to a practical possibility—available today—for protecting nature.

### Statistics on Operation of Uzbek Electric-Power Industry

914E0059A Tashkent PRAVDA VOSTOKA in Russian  
16 Dec 90 p 3

[Article: "In the Statistical Mirror"]

[Text] Uzbekistan's electric-power industry is represented by thermal and hydroelectric power stations, power grids, and other facilities. As Uzbek SSR Goskomstat [State Committee for Statistics] reports, during the 12th Five-Year Plan 456 million rubles' worth of fixed capital was introduced into operation in electric-power engineering.

Capacity was turned over for operation at the Novoan-grenskaya and Takhiyatashskaya GRES's [state regional electric power stations]. Power transmission lines 28,500 kilometers in length and of various voltages, step-down transformer substations, 17,500 kilometers of heating conduits, and so on, were built.

About 26,000 workers were employed at the industry's enterprises.

The share of electricity in the total volume of the republic's industrial production was 4.3 percent.

During January-November the volume of product output in the industry increased by 1.1 percent over the same period of the preceding year.

The generation of electricity increased by 1.8 percent over January- November 1989.

The output of electricity was increased by means of the hydroelectric-power stations. At thermal stations, the output of electricity fell by 0.3 percent.

The thermal power stations of Uzbek SSR Minenergo [Ministry of Power and Electrification] saved fuel on the basis of the electricity and heating energy released. During the first nine months of the year 13,000 tons of standard fuel equivalent were saved.

Power-engineering enterprises and organizations are making their contributions to the production of consumer goods. During the first 11 months of the year, the plan for production thereof was met by all the industry's enterprises.

At the same time, Uzbek SSR Minenergo enterprises are ecologically harmful, discharging into the atmosphere more than a fourth of all the harmful substances that the republic as a whole discharges. In all, during the first nine months of the year, 264,200 tons were discharged, which is four percent more than for the corresponding period of the preceding year. One-third of the enterprises increased the amount of discharge of harmful substances.

**Pension Fund Board Chairman Interviewed**

914F0135A Moscow IZVESTIYA in Russian 8 Feb 91  
Union Edition p 2

[Interview with O. Tarasov, board chairman of the USSR Pension Fund, by T. Khudyakova: "The Pension Fund Is Starting out with Debts, Since the Enterprises Are in No Hurry To Transfer Insurance Contributions"]

[Text] Six republics have as yet refrained from signing the corresponding agreements, and the heated "war" over pensions laws is leading to negative consequences.

Is there any possible way to overcome this crisis? That is the topic of discussion between our correspondent and USSR Pension Fund Board Chairman O. Tarasov.

[IZVESTIYA] Oleg Nikolayevich, the USSR Pension Fund was created in accordance with a resolution of the USSR Supreme Soviet in August of last year. What has been accomplished thus far?

[Tarasov] In mid-December a board meeting was held that confirmed resolutions on an executive board, fund divisions and branches in the republics, and authorized representatives.

The process of forming working organs for the fund in the republics has dragged on for a very long time, and as of 1 January it became essential to ensure the continuous financing of pension payments and subsidies. This is why it was decided to assign their functions temporarily to the organs of the social safety net in territories where fund services had not yet been created.

[IZVESTIYA] Does this involve many?

[Tarasov] As of today, nine republics have joined the Pension Fund. Not participating in it are the Russian Federation, Georgia, Moldova, Latvia, Lithuania, and Estonia.

[IZVESTIYA] Any new organization has to start out by publishing founding documents. Does the Pension Fund have such documents to its account?

[Tarasov] Naturally. We have already worked out and distributed to the locales instructions on the procedure for transferring insurance payments from the enterprises and cooperatives, on conditions for citizens paying mandatory insurance payments, and also on state social insurance procedures for individuals employed in individual labor activity.

[IZVESTIYA] Do your instructions contain anything fundamentally new? After all, the enterprises transferred funds for social insurance before as well.

[Tarasov] In accordance with the presidential decree of 4 October 1990, payments are set at 26 percent of the wage fund for enterprises, organizations, institutions, and cooperatives. The allocations have increased, since the old ones wouldn't have covered all the costs for pensions and subsidies.

[IZVESTIYA] Many people look on mandatory payments by citizens of one percent of pay as an additional tax.

[Tarasov] Up until now, financing of pensions and subsidies was brought about to a significant degree by way of the state budget, and now that is done by way of the Pension Fund. According to the approved regulation, as well as the pension law, as of 1 January 1991, all working citizens must make a monthly insurance payment to the fund amounting to one percent of pay and in this way participate personally in financing pensions.

As for the deduction procedure itself, it is quite simple: a specific sum will be deducted from pay simultaneously with income tax.

As for the moral evaluation of this step, on the one hand, it is indeed an additional tax. On the other, it is an essential element in financing pensions accepted throughout the world. Moreover, inasmuch as this is the first step toward affirming generally accepted practice, it was decided to keep it limited at first to one percent. I'm sure that this ratio will change with time and each working person will deduct payments for pensions in different proportions. In the developed countries, citizens pay between 2 and 13 percent of income in contributions, and employers deduct a roughly equivalent sum.

[IZVESTIYA] For the first time a regulation has been introduced to the effect that everyone employed in individual labor activity (including leasers and farmers) must themselves pay for their future pension by deducting to your fund 26 percent for mandatory insurance payments and one percent for income. Doesn't it seem to you that government workers and employees are at an advantage over the "individuals"? After all, the former have the lion's share of the necessary payments paid for by their enterprise.

[Tarasov] Both the government worker and, say, the leaser produce output that reflects both material and labor input. Only at first glance does it seem as if the state is paying for the government worker: he's paying himself, since, strictly speaking, this portion he knows is not being paid in full for him.

The leaseholder receives everything in full, and the price for his goods, as a rule, is higher than the government price. So, in my opinion, it is justified and fair that he should pay dues toward his own pension. According to article three of the Pension Law, only those citizens engaged in individual labor activity who deposit payments into the Pension Fund have the right to receive pensions.

This procedure is being extended to creative workers as well.

[IZVESTIYA] Oleg Nikolayevich, you were talking about how the process of forming working organs for the fund has dragged on for a very long time. Does this mean

that all is not completely well with the transfer of payments for financing pension payments and subsidies?

[Tarasov] Unfortunately, it does. The pension fund is a new organization created, so to speak, from scratch, and for that reason we have no carryover funds. Inevitably a very acute problem arose: financing payments at the first stage, when payments had still not come in in sufficient quantity.

In order to avoid possible conflicts connected with the absence of money, the government passed a resolution extending credit to the Pension Fund in the amount of up to 20 billion rubles (R).

[IZVESTIYA] How long will that last?

[Tarasov] A month and a half. In that time we are hoping to accumulate the necessary funds in our accounts, moreover in an amount so that we can start paying pensions and subsidies without resorting to additional credits and eventually start wiping out the debt, which we are obliged to pay back by the end of the year.

[IZVESTIYA] Are the enterprises making insurance payments punctually?

[Tarasov] No. And for several reasons. Part of the fault is ours: we came out late with the necessary instructions, and not all the enterprises and organizations received them in time. Also at play here is the general decline in discipline, including financial: no one is any hurry to give up money.

[IZVESTIYA] Discipline is discipline, but insurance contributions for pensions is a moral issue as well. How can we leave old people without means for existence? And then, if these deductions are mandatory, consecrated by law, are there provisions for fines for violators?

[Tarasov] The legislation on fines needs work. Right now a proposal is being considered to apply the same sanctions as to tax evaders—right up to administrative responsibility.

[IZVESTIYA] Couldn't a "pension law war" complicate the situation? What if the Russian Federation not only passed its own pension law but also created its republic pension fund? What would you do?

[Tarasov] The resolution of the fourth USSR Congress of People's Deputies "On the country's status and urgent measures to overcome the current crisis in the socioeconomic and political situation" says that until the Union Treaty is signed, those laws of the republics that do not contradict the Soviet Constitution or union laws will remain in effect.

This applies fully to the union pension law and to the functioning of the USSR Pension Fund. It should be added that, in accordance with this resolution, an agreement is now being prepared with the republics on guarantees of pension security.

[IZVESTIYA] In your view, what regulations of the republic pension funds come into the sharpest conflict with the union law?

[Tarasov] Certain republics have changed the basic requirements (seniority and salary), and minimum pensions have been substantially increased. The idea is noble but it is not supported by financial realities. I'm not even talking about the fact that there was no special necessity for this. The union pension law gives the republics, krays, oblasts, and even individual enterprises the right to make additional payments for pensions, health care benefits, housing payments, and so on, out of their own budgets and own enterprise and organization funds.

But there are more serious matters. For example, the legislation of Lithuania and Estonia does not protect the interests of individuals working in harsh climatic conditions, in regions of the Extreme North, on the territory of the RSFSR. Nor does the Russian law provide for this with respect to citizens who have gone to other republics. Whereas the union pension law provides these guarantees for all the country's working people.

[IZVESTIYA] Oleg Nikolayevich, although the creation of the USSR Pension Fund is an accomplished fact and the necessity of its functioning in today's complicated political and economic situation seems justified, how important is its existence in the future? There are glimmerings of doubts about this.

[Tarasov] I will permit myself to cite just one argument. According to statistics, during his working life, each person on average changes job five to seven times and his place of residence three to four times.

In 1990 alone, interrepublic migrations affected about 10 million people. The program for eliminating the consequences of the Chernobyl and Aral catastrophes envisages the resettlement of large masses of the population, including to other republics.

Furthermore. In the coming years the process of labor migration will intensify both in connection with the opening up of new regions and with the formation of the labor market.

Not as the chairman but as someone soberly assessing the situation I am deeply convinced that without a unitary system of financing and a single pension law (and, it follows, without the fund), not only the pension system but also people's faith in the state's ability to protect their interests will be undermined.

#### **Armenian Official Details New Republic Pension Fund Department**

914F0137A Yerevan GOLOS ARMENII in Russian  
4 Jan 91 p 3

[Interview with pension fund department head Z. Nunushyan by ARMENPRESS correspondent: "Armenian Department of Pension Fund"]

[Text] An Armenian republic department of the pension fund of the USSR was established by decision of the Council of Ministers of the Republic of Armenia and the Council of Trade Unions of the republic. What are the objectives of the newly established system and what are its basic tasks? The correspondent of ARMENPRESS turned to the department head Z. Nunushyan with these questions.

[Nunushyan] The Armenian department of the pension fund is an independent financial and banking agency operating throughout the territory of Armenia. Its main task is to finance the payment of pensions and the collection and centralization of payments foreseen for the provision of pensions as well as donations.

[ARMENPRESS] Does this mean that henceforth the social security agencies will not deal with questions of pensions and assistance?

[Nunushyan] By no means. The department does not replace and does not duplicate the social security agencies. Just as in the past, they are supposed to grant and pay out pensions and assistance. The republic department of the pension fund is a unique bank that accumulates funds and provides for their expanded reproduction, including compensation for the consequences of possible monetary inflation, etc.

[ARMENPRESS] What are the sources for the formation of the fund and how can it guarantee the payment of pensions in the republic?

[Nunushyan] The state stipulates the sources of financing. They are deductions for social security collected from enterprises, organizations, and cooperatives regardless of the form of ownership and management, and also from persons employed in individual labor activity, including under contract or on a private peasant farm. Another important source is the means of the union budget intended for military personnel and the corresponding budget organizations. It should be noted that a quite new source is member dues of one percent collected from the wages of citizens. Also transferred to the account of the fund are expenditures that did not go to the pension fund in the form of contributions, money penalties collected for the failure to pay member dues in time, and fines imposed on officials and organizations. Since the statute provides that the assets of the fund will be utilized for the care of children, monthly assistance payments to each child up to an age stipulated by law, and an increase in the size of pensions in connection with the increase in the cost of living and wages, it is becoming necessary to find additional means.

[ARMENPRESS] Do you have such possibilities?

[Nunushyan] Of course we do. For this purpose, the fund is authorized to use cash reserves to purchase shares of stock in the long and short term and to engage in trade activities. We will also note that the member contributions for state social security are paid by workers of enterprises, institutions, and organizations at a rate set

by legislation. The amount of member contributions of organizations to the pension fund is set by the Council of Ministers of the USSR as a percentage of member contributions to state social security.

[ARMENPRESS] More specifically, how is this done?

[Nunushyan] The procedure is as follows: 80.5 percent of 26 percent of the sums paid compulsorily by institutions, enterprises, organizations, farms, etc. of all categories operating in the territory of the republic from the wage fund for the purpose of social security and one percent of the wage of each worker from 1 January are transferred to account No 829901 of the republic pension fund addressed to the operations directorate of the Armenian republic bank of USSR Gosbank [State Bank]. The budget organizations transfer funds once a month, other organizations twice a month, and kolkhozes and other production economic associations equated with them on pay day in the established manner.

[ARMENPRESS] Are all of the foreseen funds really transferred to the pension fund?

[Nunushyan] Not all. To avoid excess money transfers, for example, the pension of working pensioners and the assistance issued for children up to one and a half years old and from one and a half to six years old remain in the corresponding institutions, enterprises, and organizations without being transferred to the pension fund.

The new system, answered Z. Nunushyan in conclusion, presents the possibility of dealing in a more specific way with the fundamental questions in the financing of pensions and assistance and the surplus funds forming in the course of operations will be put into circulation, creating supplemental funds.

### **Moscow TU Chairman Interviewed On Worker Protection Issues**

914F0139A Moscow TRUD in Russian 13 Feb 91 p 2

[Interview with M.V. Shmakov, chairman of the Moscow Federation of Trade Unions, by TRUD correspondent A. Kozlov: "An Agreement—An Instrument for Action"]

[Text] Recommendations by the trade unions to conclude an agreement with the organs of government often encounter not only a lack of understanding but also obvious opposition towards the implementation by the trade unions of their chief function—protecting the interests of workers. TRUD correspondent A. Kozlov discusses this subject with M.V. Shmakov, chairman of the Moscow Federation of Trade Unions.

[Kozlov] Mikhail Viktorovich, one of the first significant actions of the MFP [Moscow Federation of Trade Unions] was the drawing up of an agreement with the Mosgorispolkom [Moscow Municipal Executive Committee]. That is, the federation accomplished that which

many trade union centers are still unable to do, including those in the "center" and in the republics.

[Shmakov] There is no need at the present time for discussing just how we came to this agreement. The chief concern is the fact that it exists and is in operation. What has it brought us? A base and a working instrument in our operations for protecting the economic and it follows the social interests of workers.

[Kozlov] Recently the trade unions assigned priority to protecting the social rights of people and now you emphasize the economic interests.

[Shmakov] Economics is the foundation for everything and especially during the period devoted to converting over to market relationships. Here we find the principal element of the problems. And they begin with determining the living wage of the population. If this factor is not known, the trade unions will not have a clear understanding of what they must specifically protect or what they must require of the authorities and economic organs.

According to MFP estimates, the living wage for a resident of Moscow (according to 1989 prices) is 151.4 and for a pensioner—102.6 rubles. When preparing the agreement with the Mosgorispolkom, these figures served as the starting point in the work concerned with the agreement. The entire "personal" cost accounting of an individual—wages, the purchasing of products and goods, the cost of domestic services and others—is based upon these figures (and naturally these values will change depending upon growth in prices and other factors). The Mosgorispolkom is obligated to determine the living wage on a quarterly basis, to publish data on it and also to make compensatory additional payments to the population from the municipal budget: for pensions, grants and others.

The second most important obligation of the executive committee is to ensure the functioning of the regional employment system for the population. Mosgorispolkom is opening up a municipal labor exchange, it is allocating funds for financing the retraining of personnel and it is introducing the mandatory registration of vacant jobs by all enterprises, organizations and institutes and for the concealment of such jobs—punitive sanctions. Special emphasis was placed upon the fact that a job quota is being established for the job placement of all graduates of PTU's [vocational and technical schools], medical, teaching and trade institutes and general educational schools. In addition, funds are being allocated for making additional payments to the state allowances for unemployment, from the fund for the social protection of the population. The purpose of these additional payments—to raise the allowance to the level of the living wage for a Moscow resident.

The Mosgorispolkom is obligated to protect the economic interests of residents of the capital also through

the introduction of a favorable tax for student enterprises and enterprises which employ the labor of invalids, on the profit of enterprises and social organizations, which employ funds for solving social problems and for the maintenance of athletic, childrens' sanitary, medical and some other institutes. The benefits have also been defined for rental payments for the use of non-residential facilities.

The mentioned obligations of the Mosgorispolkom also include equally serious responsibilities in the sphere of social interests.

This includes the supplying of food goods and industrial goods for which there is a priority need and the normal functioning of the municipal infrastructure (availability of heat, gas, electric power, transport operations and others).

In this section—a solution for the housing problems and the additional production of goods for children and elderly people. Mosgorispolkom agreed to resolve a whole series of questions in the area of education, labor safety, ecology, social insurance, protecting the health of the population and others.

[Kozlov] Judging by the list, Mosgorispolkom has undertaken some serious obligations. What has been the response by MFP?

[Shmakov] The chief one: during the active period of the agreement, the trade unions and the MFP are to refrain from strikes concerned with economic questions included in the signed document. Certainly, if they are resolved. Generally speaking, Mosgorispolkom attaches importance to ensuring that the organs of government are protected by the agreement against a rash of spontaneous strikes and that they are able to handle the city's problems in a calm manner.

[Kozlov] Nevertheless, Mikhail Viktorovich, can you tell us in a few words exactly how the agreement was prepared?

[Shmakov] Although the document was adopted, it still has a record of disagreements. For example, Mosgorispolkom objects to additional payments being made to grants, referring to the absence in the city's budget of funds for this purpose and the need for motivating students into searching for additional income during their non-school hours. The Moscow authorities did not agree with the need for maintaining the achieved level of free education and public health. The reason—appropriations are needed from the budget.

And how many discussions were there on other points of the agreement? Several variants of the document were changed. And everything commenced with a direct misunderstanding by Mosgorispolkom of the need for concluding such an agreement. On more than one occasion, we wished to terminate the negotiations and go to the collectives and state that Mosgorispolkom did not wish to sign a document that protects the economic and social



interests of the capital's residents. Such were the "machinations" behind this work. It bears mentioning that recently, based upon our initiative, a meeting was held with the 1st deputy chairman of the RSFSR Council of Ministers and we reached an agreement with him which held that our differences, as contained in the appendix to the agreement, would be examined by the government of the RSFSR.

[Kozlov] Is it true that some of the capital's trade unions do not wish to join the MFP? What are their reasons?

[Shmakov] The destructive processes have affected not only society but the trade unions as well. There is an economic crisis, a war of laws and inconsistent actions by the various organs of government—this is arousing a great amount of concern among many of the city's trade union organizations. And if we take into account the fact that not everyone is pleased by the strong and independent trade unions and that an open and concealed campaign is being waged against their monolithic nature, then there is no reason to be surprised by the separatist and dissident attitudes and phenomena.

The trade union organizations of the aviation industry did not decide all at once to join the MFP. It was their belief that it made no sense to scatter the Moscow problems and that it was better to concentrate their efforts on their own conversion initiated problems. But later they came to understand that the strength of the trade unions, regardless of how one approached it, lay in consolidation.

[Kozlov] It was not too long ago that the subject of insisting that the trade union dues remain in the "primary" organizations was viewed as being innovative in nature. Today we often hear statements being made emphasizing that this was a mistake.

[Shmakov] I also feel that it is a mistake to place all of this money at the disposal of the "primary" organizations. The money was used for wages for full-time workers, for material assistance and for paying for passes

to young pioneer camps, tourist trips and others. Moreover, if not all of the money was spent over the course of a year's time—it was collected from the "primary" organizations. The concept of trade union dues was damaged somewhat and the people had some basis for believing that they were being fleeced.

At the present time, the amount of funds being directed to the "primary" organizations has been increased. But has their potential increased a great deal because of this? Especially among small or average size trade union organizations? And corrections are being introduced for inflation and for growth in prices. I believe that a need exists for accumulating trade union funds and that they should be collected in the funds for solidarity and strikes, which must be created for the most part in the municipal and oblast committees of trade unions and also in other trade union centers—right up to the VKP. Why first of all at municipal and oblast committees? They are close to the "primary" organizations and thus cannot control these funds. That is, there should be no fear that once again this money will be withdrawn from them.

"We will spend our money ourselves," such is the statement made by those who have not experienced this critical situation. However, the collectives of Metrostroy [State Administration of Construction of the Moscow Subway] had no sooner begun making preparations for a strike than a question arose: from what fund will the money to be paid to the strikers come from? And it was understood that the strike would not take place in the absence of a solidarity fund. Among Danish trade unions, for example, there is good reason for viewing such funds as a great secret. Our primary organizations never tire of repeating the same word "my, my," while overlooking the fact that a market economy, especially in the beginning, is by no means limited to furnishing only benefits. Thorough preparations must be made for the market. Thus, for example, the MFP acted in haste in creating the trade union bank, where all of the financial operations of the capital's trade unions will be handled. If we wish to be strong and independent, then we must display concern today for creating a serious financial base.

## ORGANIZATION, PLANNING, MANAGEMENT

### 'Arbitrary' Production Assignments Hinder Conversion Efforts

91UM0347A Moscow KRASNAYA ZVEZDA in Russian  
12 Feb 91 First Edition p 3

[Interview with V. Chepkin, general designer of the Saturn Scientific Production Association, by KRASNAYA ZVEZDA correspondent Colonel A. Manushkin: "Turbines, Onions, and Sheepskins... Such a Combination Could Exist if Arbitrariness Invades Conversion"]

[Text] The experimental design bureau imeni A.M. Lyulka, which is now a part of the Saturn Scientific Production Association [NPO], is known throughout the world. The aircraft engines created here have been installed on the aircraft of P.O. Sukhoy, S.V. Ilyushin, S.A. Lavochkin, A.N. Tupolev, A.S. Yakovlev, and G.M. Beriyev. The high combat qualities of one of our most modern fighter-interceptors, the Su-27, are also explained largely by the first-class engines created by Arkhip Mikhaylovich Lyulka and his successors.

Today the collective of the association has actively engaged in the conversion processes that have affected all branches of the defense industry. Our correspondent discusses the problems that arise along this difficult path with the general designer of Saturn NPO, V. Chepkin.

[Manushkin] Viktor Mikhaylovich, could you sum up certain results related to the conversion?

[Chepkin] I think it is still too early for that. The real work is only beginning. But certain conclusions present themselves even today. During the process of conversion we have had to solve problems imposed on us from above, as it were, arbitrarily. On the other hand, on our own initiative we have undertaken developments for the national economy and civilian production whose specifications are appropriate for us. Why? The answer is obvious. When taking up some unfamiliar work we have had to start almost from scratch and set up our technical equipment from the beginning. There is no need for this if in the development we can rely on our experience in theoretical and practical research in the area of aero- and thermodynamics and vacuum, compressor, and refrigeration equipment... Here, as they say, all that is needed is a certain turn in the direction of our thinking and research...

[Manushkin] It would be interesting to know, Viktor Mikhaylovich, what you, creators of aircraft engines, have been assigned in the plan for conversion.

[Chepkin] For example, we were told to create a machine for passivation (heating) of vegetables. We made it and brought it to the point of series production. The "onion" machine, as we jokingly call it, will be manufactured at the machine building production association in Zaporozhye.

We had to engage in the development and improvement of machines for the leather and fur industry: beginning with the skinning of the animal and ending with dressing and dyeing of the hide. There are about 140 types and modifications of these machines.

[Manushkin] One gets the feeling that you are not satisfied with the nature of the conversion work offered to you.

[Chepkin] Yes, that is true. There is no doubt that we are extremely in need of machines that meet the world standard both for passivation of vegetables and for processing leather and furs. Lagging behind in this area, as in any other, is intolerable. But we will not solve urgent problems by arbitrarily "assigning" topics for conversion developments to the various design bureaus and defense enterprises.

In principle it is possible to drive nails with a slide rule if you make it heavy enough. But still a hammer is better. That is what is happening with us. The leader of the work on the conversion topic, the "master of onion affairs" as our wits call him, is Yuvenaliy Pavlovich Marchukov. We thank him for his selfless work. But how can one fail to recall here that under the leadership of this remarkable designer auxiliary power installations were created for the Energiya missile and the Buran space ship, and an after burner was created for the Su-27 aircraft. Are we utilizing his knowledge and talent as efficiently as possible?

It does not seem to me that it is impossible to get by without any losses. But the losses would be less if the basis for conversion processes were precise calculation and a striving to take advantage of the capabilities of each person in keeping with his vocation and experience. A jet engine specialist, even if he is a genius, will find it difficult to create a machine for combing burrs out of sheepskins without basic preliminary preparation. Would you like to see such a machine? The one we came up with is about the size of that large cabinet... In a word, everyone should do the thing he knows best.

[Manushkin] What is the best thing for you, creators of aircraft engines that are discussed respectfully throughout the world?

[Chepkin] For example, we concluded a contract with the Gazprom concern for the design and manufacture of power installations for gas pumping stations, based on modifications of our jet engines, with low proportional expenditures of fuel. It is known that with the present gas lines, up to one-fourth of the gas is lost en route. The fuel is basically "eaten up" by gas pumping stations. But our gas turbine power installations make it possible to save up to 7 million cubic meters of gas a year with each aggregate. Would it not be possible to use the savings to acquire modern technological lines for the leather industry we were talking about?

[Manushkin] I have heard that your design bureau has created a miniature single-cylinder diesel engine.

[Chepkin] It was developed and tested under the leadership of a talented young designer, V. Andreyenko. Its capacity is six horsepower. The engine can be used for power units, minitractors, and other equipment for farmsteads, gardens, and orchards.

Further. Practically the entire fleet of the country's passenger vehicles operate on gasoline. Our design bureau has done work to develop two-, three-, and four-cylinder engines that operate on inexpensive diesel fuel. We also have technical ideas and developments which, if introduced, would at least double the efficiency factor of heat and electric power plants. Specialists of the experimental design bureau have been studying combustion processes for many years. We could reduce the toxicity of discharges from industrial enterprises by a factor of five to 10 if our work on conversion were linked to ideas like these.

[Manushkin] But what if the conversion does not go beyond the framework of aviation topics?

[Chepkin] That would be the most effective. For example, in conjunction with the British firm Rolls Royce, we are developing an engine that will be used in the Gulfstream-Su personic aircraft for business people.

We are creating economical engines of the future for both military and passenger aircraft. This is the main direction of the activity of our production association. And it is in this direction that we hope to make our greatest contribution to the strengthening of the country's defense capability and solving crucial national economic problems.

## MOTOR VEHICLES, HIGHWAYS

### Motor Vehicle Plant Director Interviewed on Market Economy

914H0098A Moscow TRUD in Russian 8 Feb 91 p 2

[Interview with V.P. Kolomnikov, general director of the AZLK Production Association, by Yu. Ursov, TRUD correspondent: "The 'Aleko,' the 'Istra' and Other Things: Will the Country Soon Have a Moderately Priced Motor Vehicle?"]

[Text] V.P. Kolomnikov, general director of the AZLK Production Association, is perhaps better able than anyone to talk about the history of domestic motor vehicle building in the last few decades. He started at AZLK when it began producing the 401 compact car, which many people remember, without honoring it with the plant trademark. It was on his initiative that model 2141 went into series production. It is not only in demand abroad, but has also become one of the best vehicles in the country. In a word, AZLK seems today to be becoming a successful plant. We know from the experience of other countries, however, that the transition to market relations can demolish any success, even the strongest. Our correspondent chats with V.P. Kolomnikov about how the AZLK collective is preparing for the developed approach to market relations.

[Ursov] Valentin Petrovich, motor vehicle plants have always been, so to speak, the "State's favored children," "100-percent markets," producing goods that directly affect the people's standard of living. This must alarm garment workers or, let us say, chemists today, as to whether their products will find a market—with respect to quantity or quality. The Moskvichi are in great demand. I think that any entrepreneur dreams of this: profit, a prestigious brand name....

[Kolomnikov] Personally, I am not under any delusions concerning today's situation. All right, there is no problem with the market for the products, and they give up to 70,000 rubles for a Moskvich on the "black" market, when its wholesale price is about 12,000 rubles. This is the result of inflation. The demand is to a certain extent artificial. I will also note, incidentally, that for us, the plant owners, there is no reason to raise the price. The turnover tax, which constitutes quite a large part of the retail price, is taken by the State and redistributed for the needs of society as a whole—pensions, subsidies for agricultural production and now, apparently, to compensate for the rise in the cost of living. This is in answer to the question about the "State's favored children". In the present situation, it is advantageous for society to develop the production of motor vehicles. Well-to-do people buy them, thus financing, through the turnover tax, the needs of the least socially protected strata. In this sense, then, motor vehicle plants actually play a very important role in the transition to the market.

Recently, however, we have not been spoiled by any special benefits or help from the State. We build all our plans on the basis of our own potentials and revenues.

For example, we must think seriously about a future in which, I hope, there will be no inflation or monopoly, and the opportunity of choosing between Western and domestic models will appear. We should not forget about the world market, too, if we are striving to get out of last place in motor vehicle building. The coming struggle there is not an easy one. If we are satisfied with the existing situation, however, then in three to five years we will find ourselves completely "burned out" on the internal market. The basis for competition in motor vehicle building is: tomorrow VAZ or ZAZ will throw a new model out on the market, which, with a stable ruble, the purchaser will prefer to the Moskvich. On the basis of these predictions and considerations, we are forming an organizational-economic structure, new in principle—the Moskvich Production Association, or in the near future, the Aleko Stock-Holding Company of Motor Vehicle Plants.

[Ursov] A stock-holding company... an associated concern.... These "newfangled" definitions very often cover up just the same unshakeable, rigid structure of the traditional State enterprise or association.

[Kolomnikov] I would single out two directions here. The first—the production technology. A large number of related workers prefer a quite rigid organizational structure, and the precise interrelation of all the production units "bound up" in the output of a motor vehicle. It is necessary, in order to prevent a wild outburst of prices through cooperatives.

Second—the changing market conditions, the competitive struggle and the need to invest considerable funds in developing future models and materials dictate the need to create a very flexible economic structure, with its own internal financing potential.

The 401 and the Moskvich could have been built at the plant with 12,000 workers. You cannot make our future model, the Istra, with electronics and new composite materials, "separately" from the construction workers and machine-tool workers, etc. The efforts of dozens of collectives must be put into it. In our case, then, not only is the name "newfangled", but also the entire economic structure.

I will describe it briefly. Practically all the enterprises taking part in the production and operation of motor vehicles—from metallurgists, petrochemists and the light industry, to commercial firms and services, will go into the Aleko Industrial-Financial Union.

The large financial bloc includes banks, an insurance company and an advertising agency. Unrestricted flows of capital will pass within the union. Let us say, there is a project: create an economical and powerful engine, to outflank the competitors. Traditionally, in this case, for the complex of work involved in re-equipping the engine

production, we would ask the State for a loan, lose time and pay interest. In our union, the finances will be found quickly for a successful idea, by decision of the council of directors or other similar organ.

It is just such highly organized enterprises that will stand up and achieve success in the competitive struggle on the world market. In addition, the motor vehicle industry can become the link that, since it is closely related to virtually all the group "A" sectors, will predetermine the minimum possible pain in the structural perestroika of the economy. To put it more simply, on the basis of the needs of the consumer, we will begin to determine how much metal, chemical products, timber, building services, etc. is needed to produce a motor vehicle. This will be a very important element, not of a primitive "cooperative" market, but of highly organized commodity production, based on the achievements of the scientific-technical revolution.

[Ursov] I have a feeling, judging by the general course of the reform, that government men and scientific personnel are coming forth as its main moving forces. The workers are keeping quiet....

[Kolomnikov] Well, the workers are not keeping all that quiet. Your observation is true to a certain extent, though. One of the main purposes of reform is to strengthen the incentives toward highly productive labor—to put it simply, to combine the overall end result with the labor contribution and wages of each worker. It is a terribly complex task. So far, we can see the way to solving it through a stockholding company. Each one of our workers will have stocks, providing up to 12-16 percent of their income, depending on the overall profit. These stocks can be transferred by inheritance or purchased, if there is unrestricted money, but cannot be sold. An appropriate stockholding mechanism has been worked out, but so far we are waiting for a legal basis for privatisation, which should be worked out and approved by the USSR Supreme Soviet.

I hope that the stockholding company will become, of its type, an improvement of the wage system, and will make it possible for us to achieve stability and a high classification system for our workers—and consequently, competitive product quality.

[Ursov] Your association is "getting started" in the market, with quite decent initial conditions. The polyclinics, started with imported equipment, the high rates of housing construction in the association and the powerful social infrastructure are almost legends in Moscow. These are not the miners of the Kuzbass, who live in tumbledown buildings. The report on the strike at the main conveyor was especially unexpected. The workers are demanding, and in my opinion, with adequate substantiation, that wages be raised, coding be done in accordance with inflation and the plant be transferred to Russian jurisdiction....

[Kolomnikov] You know, we have enough shortcomings, including creating more or less comfortable work conditions. In some shops the work is no tea party.

The initial cause of the strike at the main conveyor, in which about 250 persons were involved, in my opinion, however, must be sought not only in the fact that the workers were dissatisfied with their social position. Incidentally, in this shop the average wage rose 1.5-fold during the year. Of all the demands of the strike committee of the motor vehicle assembly shop, apparently, the main one was the appeal for the AZLK transition to Russian jurisdiction. The very concept—"subordination," taken from the administrative lexicon, attests to the fact that the political upheavals of the power struggle, often with no relation to the economic system, and moreover, confusing it, have come to us.

I am simply obliged, however, as an economist, to estimate how real and advantageous this shift in the status of the AZLK is. All right, there is no doubt that less profit tax will be paid according to the Russian legislation. The whole question, however, is will this profit exist at all? After all, Russia today has no corresponding State structure to manage this large enterprise, which has hundreds of related workers in all the republics and abroad, in a competent and qualified manner.

Be it good or bad, so far the USSR Ministry of Automotive and Agricultural Machine Building and the central departments are helping us to set up and maintain economic relations, are providing us with scientific recommendations and are issuing predictions for the world market, thus contributing to the production and sale of motor vehicles. We destroy this symbiosis—and it is quite probable that profits will also fall and anarchy develop. As far as I have studied this question, the republic so far does not have these possibilities. Preferential taxes alone are not the weightiest argument in this situation. If one takes into consideration all the factors enumerated—price, market, purchases by import—in case of a transition to republic jurisdiction, the whole mass of profit could fall. Here is an example. Materials having no counterpart in the country are purchased, in centralized fashion, through import for motor vehicle plants. It turns out to be 2-3-fold cheaper than if each motor vehicle plant acted alone.

Furthermore. The workers are demanding a wage increase. Fine. After all, though, we have now undertaken to update production for the sake of future profits. Any Western firm in this situation would tighten its belt and refuse the temptation to let everything go for current needs. We must build a motor vehicle plant and renovate the production facilities in Moscow. It is also a question of choice—give up everything for wages now, and in a year or two find ourselves no better off than before, or take care of the future.

I wish to say, however, that conclusions must be drawn about any situation, any conflict, that ends in a strike. I understand the demands of the workers, and can even

say that the plant administration is grateful to them for the sensible suggestions, and for the fact that they could draw attention to their truly critical problems. We will draw our conclusions. Incidentally, as the workers demanded, the minimum leave will be increased to 21 days. A conciliation commission is now at work. Its analysis and proposals, I am certain, will become the basis for getting rid of the disagreements. Without this unity in the plant collective, it will be impossible to stand up under rigid market conditions.

### **Moscow Motor Vehicle Accidents Scored**

914H0098B Moscow MOSKOVSKAYA PRAVDA  
in Russian 19 Jan 91 p 2

[Article by D. Spiridonov: "A New Year—New Calamities!"]

[Text] Alas for life. Judge for yourselves: in 1990, there were 7,736 road-transport accidents on Moscow roads. Some 1,163 persons died (49 of them children), and 8,156 persons were injured.

The year's results proved to be even gloomier than the capital motor vehicle inspectorate contemplated. An absolute record was established in 1990 with respect to the number of road-transport accidents resulting in death. The number of deaths on Moscow roads rose by almost 20 percent over 1989. Even the "old inhabitants" of the GAI [Moscow State Motor Vehicle Inspectorate] cannot remember such a steep climb in the scale of fatalities.

The first question usually asked in these cases is: whose fault is it? Of course, the number of motorized vehicles among the population has increased, the state of our road network could not be worse, and indeed, even the road legislation does not reflect the real situation on the routes. How, though, can you explain the fact that with only a 4.5 percent increase in the total number of road-transport accidents, the mortality rate from these accidents jumped by a whole 20 percent?

It would seem that one does not have to look far for the reasons. Who, if not we ourselves, run across broad avenues with heavy traffic without paying any attention to the fact that there is a pedestrian crossing close by? Who, if not we, "cut in" on lanes at maximum speed? Or drive with cars in poor working condition because we have not been able to get the necessary spare parts?

Finally, the situation on the roads to a certain extent also reflects our troubled life. Under the conditions of a constant shortage of practically everything and no faith in tomorrow, we hurry to grasp anything that is left. When you see that the crossing is not here, but close by, that the speed is higher than that posted, and that the seat belt is not fastened. Trifles? Possibly. But only until a calamity touches us. We must be convinced of the opposite. The price is too high.

Let us think it over: most fatal road-transport accidents are from running over pedestrians. Most of these are the fault of the pedestrians. These are the facts.

Last fall, a delegation of Bavarian policemen visited Moscow. I. Schmitzberger, Chief of Police, and head of the delegation, with whom I had a chance to chat, said:

"In Moscow, we were amazed by two things: the wide streets and the large number of accidents on them. Is it really so difficult for cars to miss one another on such wide streets?"

What can you answer here? In Germany the streets are narrower and the cars are more complicated and powerful than ours, and indeed, there are many fewer policemen. But the order... in a word, it is German order.

Let us return, however, to Russia. In our country, as you know, after "whose fault is it?" they usually ask "what can you do?" The opinions of experts vary greatly here. "Intensify propaganda work," some say. "Nonsense"—others disagree. "How much can you propagandize, explain and exhort? The road needs an 'iron hand' which would give no quarter to a single violator."

I am not one of those who is an unconditional worshiper of the famous "hand," if only because there must be an absolutely clear head to direct it. I am convinced, however: the sharp stiffening of sanctions and granting the GAI the authority to affect local organs of power in road matters are the only effective measures under the present conditions. On the other hand, however, it is obvious that some administrative actions do not solve the problem. If we ourselves cannot value our own life, than no uncle with a truncheon can help us.

1990 has ended. 1991 has begun. Will it bring a turning point in the development of the situation on the roads? Meanwhile, the GAI is avoiding a prediction of the possible results of this year. The past was too gloomy. Although... according to the data available to me, last year the death rate of children in road-transport accidents was 7.5 percent less than in 1989. Does that mean that there is hope?

On 1 January of this year, two vehicles collided on a Leningrad highway. In one of them was a mother with a seven-year-old son. The mother died. The son, fortunately, was only injured.

Fortunately? This is a bitter "fortune"—to be left an orphan.

## **RAIL SYSTEMS**

### **1990 Rail Performance Figures Issued**

914H0099A Moscow GUDOK in Russian  
29 Jan 91 pp 1-2

[Unattributed article: "Successes and Defeats"]

[Text]

### Freight Traffic

Over the past five year period more than 20 billion tons of output were delivered to enterprises of the national economy. Despite a general overfulfillment of the plan for transportation of cargo for the state order by 70 billion tons, there were shortfalls in fusing agents, chemical and commercial fertilizers, fireproof materials, and timber cargoes.

The ratio of the state order (in total) declined from 63.2 percent in 1985 to 60.9 percent last year for the majority of goods with the exception of paper, grain and threshed products, and mixed fodders.

Twenty five railroads met the five year plan for freightage. The Belorussian, Tselina, Central Asian, Krasnoyarsk, Dnepr, Southeastern, October, and North Caucasus railroads made a significant contribution. At the same time, shortfalls occurred on the Donetsk, Azerbaijan, Transcaucasian, Volga, South Urals, West Siberian, and Far Eastern railroads.

Last year, despite certain complications in the operations of a number of the railroads, the plan for transportation of freight was realized successfully. Some 1.3 million tons were transported over and above the plan. However, the state order was underfulfilled by 2.3 percent. Freightage over and above the plan occurred for five types of cargo (35.7 percent of the categories of the state order). The biggest shortfall occurred in hard coal and chemical and commercial fertilizers.

Things went more successfully with cargoes for local planning. Across the entire network, 56.6 million tons over and above the plan were transported. Out of 26 items, the plan was realized for 12. The plan was overfulfilled by 60 million tons for construction cargoes. The target for all output pertaining to the category of food goods was overfulfilled. At the same time, the volume of freightage of agricultural equipment, industrial consumer goods, scrap ferrous metals, and other cargoes declined from 1989. The annual plan was met by 27 railroads. The greatest overfulfillment occurred on the Moscow (2.8 million tons), Kuybyshev, Dnepr, and Central Asian (1.8 million tons each), and Belorussian (1.5 million tons) railroads. The Kemerovo, Donetsk, Azerbaijan, South Urals, and Transcaucasian railroads finished the year with shortfalls.

### Average Statistical Load

For the five year period this increased by 770 kg and comprised 54.82 tons per car. It increased by 190 kg against 1989 and by 390 kg against the plan. This permitted more than 27 million tons to be transported without requiring additional rolling stock.

All the railroads achieved the established target for this indicator, but declines occurred at 10 of them by comparison with 1989. The greatest declines occurred at the Donetsk, Far Eastern, Transbaykal, Alma-Ata, and Lvov Railroads.

### Running Traffic in Blocks

Last year the conveyance of goods by express freight trains across the entire network declined in comparison with 1989 by 7.4 percent. Their ratio to the total volume of cargoes declined and comprised 38.9 percent. The number of underloaded (interrupted) express routes increased. Shipment in blocks decreased on all railroads except the Southwestern, West Kazakhstan, and Central Asian railroads.

### Containers

On the whole, more than 134 million containers were shipped over the last five year period, or 101.4 percent of the target established by the plan. In comparison with the preceding period, the increase in such shipments comprised almost 34 percent.

Last year 74,500 containers were loaded every day. More than 51 million tons of cargo were dispatched in them, or 100.7 percent of the plan. The delivery of cargo in large-tonnage containers developed at a fast pace.

### Unloading

Over the last year more than 194,000 cars were unloaded each day over the network of railroads, which is 2.7 percent lower than the norm and 3.7 percent lower than the level for last year. The plan was met by the Gorkiy, Kuybyshev, West Siberian, Kemerovo, Krasnoyarsk, and East Siberian railroads. The lowest percentage of fulfillment of the plan for unloading despite significant abundance of local cargo took place on the Azerbaijan, Moldovan, Transbaykal, and Lvov railroads. All the railroads except the Central Asian railroad showed decreased levels of unloading by comparison with last year, particularly on the Sverdlovsk, Baltic, Lvov, Moscow, Transcaucasian, Dnepr, and Odessa railroads.

### Freight Turnover

Over the past five year period this reached 19.154 trillion scheduled ton-kilometers. This is 0.7 percent lower than the plan. Owing to a significant decrease in the volume of transportation, there was no increase in the fulfillment of this indicator either. Nonetheless, the October, Belorussian, Gorkiy, and Southeastern railroads and all the railroads of Kazakhstan and Central Asia, as well as the Transbaykal railroad met the target for freight turnover.

Last year freight turnover underfulfilled the plan by 4.4 percent. This happened because an adjustment to the plan for dispatch of cargo, particularly of cargo of the state order, was not followed up with an appropriate change to the target.

### Passenger Transportation

The target for passenger turnover for 1986-1990 was fulfilled by 101.9 percent throughout the entire network. Over the first three years all the railroads met the target for this indicator, which cannot be said about the period

of destabilization of the political and economic situation during 1989-1990. The results for the five year period showed shortfalls on the Transcaucasian, Azerbaijan, Moldovan, and North Caucasus railroads. As a result the state order for passenger turnover for last year was not fulfilled across the entire network.

Over the five year period passenger turnover increased by 11.3 percent. The ratio of local travel decreased for both passenger turnover and freightage while long-distance movement increased.

Over the years of the five year period almost 22 billion passengers made use of railway transportation services, including 4.3 billion last year. This is almost 50 million people less than for the preceding year.

The introduction of the "Ekspress" system of automated sale of tickets to improve service for passengers continued in 1990. At the present time 21 railroads are served by it.

Introduction of the experience of the Moscow mainline on the organization and running of overlong passenger trains as a reserve for increasing carrying and freight capacity permitted an increase in the average number of cars on long-distance trains by 15.8 cars.

In the course of the entire five year period the Moscow, Southwestern, Odessa, Kuybyshev, Central Asian, and South Urals railroads provided for the passage of trains at a level exceeding that achieved in 1985. At the same time the Southern, Krasnoyarsk, Transbaykal, Far Eastern, and Baykal-Amur railroads, which demonstrated the best results in 1985, could not achieve the same level in subsequent years.

The schedule of passenger trains in 1990 was fulfilled for dispatch at 96.3 percent, for passage at 93.3 percent, and for arrival at 83.5 percent.

#### **Average Daily Transfer of Cars**

The largest quantity of cars transferred was achieved in 1989. The volume of shipping grew accordingly. Last year transfer declined by 4.1 percent by comparison with 1988, and average daily shipment fell by 6.2 percent. Under these conditions, transfer of empty cars increased by 13.5 percent, while transfer of loaded cars fell by 1.6 percent for the five year period.

Tension and instability in the work situation in the last two years have led to a decrease in the indicators for the use of rolling stock and locomotives.

#### **Turn-Around Time for a Car**

Over the five year period this slowed down by 7.2 hours. It improved on 11 railroads. Of these, only the West Kazakhstan, Tselina, Alma-Ata, and the Central Asian overfulfilled the target for the five year plan.

Over last year the turn-around time for a car improved on the Donetsk, North Caucasus, Southeastern, Southwestern, Dnepr, West Kazakhstan, and Volga railroads.

Although indicators for the use of locomotives improved over the past five years, their level was lower than the established targets, with the exception of speed including booked stops, which increased by 2.1 km per hour.

#### **Weight of a Freight Train**

This decreased by 35 tons last year and comprised 3,070 tons. The main reasons having a negative influence on fulfillment of this indicator include an insufficient quantity of connected trains, incomplete use of carrying capacity and volume of the cars, the long distances of empty runs, and a decrease in the overall length of the train.

On 27 railroads the weight of the train increased over the five year period, primarily on the West Kazakhstan, Krasnoyarsk, East Siberian, and Baykal-Amur railroads. The Sverdlovsk, Azerbaijan, Gorkiy, Southern, West Siberian, Belorussian, and Transbaykal railroads did not meet the target for this indicator.

The percentage of fulfillment of the schedule for dispatch and passage decreased on 15 railroads over the five year period.

#### **Deliveries From Industry**

The volume of annual deliveries declined from 78,000 wagons in the 11th five year period to 61,500 in the last five year period. The writing-off of cars for reasons of their technical condition increased from 14,000 to 58,000 while the transfer of cars to the balance sheet of other ministries and departments remained practically at the same level.

Over the years of the past five year period deliveries of electric locomotives and diesel engines fell short by 550 (20 percent) and 940 (14 percent) respectively.

Deliveries of freight cars fell short by 30,000 or one-tenth against the annual plans for 1986-1990.

Last year by comparison with 1985 transportation expenses for the purchase of rolling stock increased by 9 percent and reached 2.4 billion rubles [R]. During this same time period deliveries of freight cars declined by 20 percent; electric locomotives, by 46 percent; mainline diesel engines, by 26 percent; shunting diesel engines, by 26 percent; and passenger cars, by 5 percent.

At the present time existing capacity does not satisfy the volume of transportation work. A shortage of freight cars, particularly open wagons and boxcars, is having an especially telling effect. Over the current five year period the total number of the latter has fallen almost to 40,000 units. The work rate of the Altay factory of the USSR Ministry of Heavy Machine Building, the only one putting out boxcars, testifies to the continuing reduction in their numbers and in transportation deliveries.



### Enterprises of Railway Transportation

The rate of increase in production established by the five year plan was maintained only over the first three years. Then output of industrial production began to decline. According to the results of last year, it comprised 109 percent of the level of 1985 as opposed to 115 percent according to the plan. The financial results increased stably every year but the last. Over the entire five year period the volume of profits for industrial enterprises almost doubled. Labor productivity increased by 31.5 percent or twice the target of the five year plan. The average wage increased almost as much.

Two-thirds of the total volume of undelivered output may be attributed to the factories of the TsTVR [Rolling Stock Repair and Spare Parts Production Main Administration]. One-half of the factories violated their obligations for deliveries, especially the factories in Astrakhan, Stryy, Smela, and Ulan-Ude and the Moscow Krasnyy Put machine factory, the Yaroslavl ERZ [Electric Locomotive Repair Plant], and the Lyublinsk foundry and machine factory.

### Production of Nonfood Consumer Goods

Over the five year period the output of these goods increased by a factor of three. The state order was realized. Goods worth R50 million were produced over and above the plan.

Last year the majority of the sector's enterprises worked stably, which determined the success of the task. At the same time the factories of the TsTVR, comprising the foundation of the transportation industry, were unable to increase the pace of work. According to the results for the year, they were behind by R8.8 million worth of goods. One-third of them—a total of 20 factories—could not meet the state order.

### Realization of Paid Services

The population was granted paid services last year worth R4.534 billion. This is a 4.1 percent increase over what was done during the preceding year. At the same time the rate of increase in revenues from transportation of passengers and baggage and from passenger services en route was lower than what was established by the plan, as a result of which the state order for these revenues was underfulfilled by 1.5 percent.

### Subways

Expenditures on development of the subways for the five year period were R3.97 billion in capital expenditures. The length of the lines grew by 66 km. At the beginning of this year the total length was 511 km. A subway was put into use in Kuybyshev. At the present time the residents of 12 cities are using the services of a metro.

During this same period almost 25 billion passengers were transported, which resulted in overfulfillment of the plan and transportation of 518 million people over

and above the plan. The cost of transporting 10 passengers is currently 62.9 kopeks.

Over last year almost 5.841 billion passengers were transported. This is 16.3 percent more than during the preceding year and 3.7 percent more than the plan required. Taking into account the overfulfillment of the volume of transportation and a reduction in expenditures, profits over and above the plan were R25 million.

### Enterprises of the Industrial Railway Transport Main Administration

Over the years of the past five year period this main administration was supplemented by five new associations and 36 industrial enterprises. As a result the volume of transportation in 1990 grew by 26.7 percent and handling of cargo by 9.2 percent. More than 300 million tons over and above the plan were conveyed, and about 52 million tons of cargo were handled. More than R180 million came in over and above the plan.

### Enterprises of the Scientific Production Association

Output worth more than R5 million was produced over and above the plan in 1990 and R15 million for the entire five year period. The plan for the receipt of profits across the entire scientific production association was fulfilled last year by 106.9 percent and across the five year period by 109.7 percent.

### Organization of Labor

The number of workers in the 12th five year period declined by more than 7 percent and comprised 3.78 million people in 1990.

In comparison with the preceding year, last year the number of transportation workers grew by 49,000 workers or 2.7 percent. This was predominantly a result of bringing those workers in the leading professions up to full manning levels. The number of railway technicians, for example, increased by 21,400 people, and the number of engineers and their assistants—by 11,000 people.

### Increase in Labor Productivity

For the first three years of the five year period this was 19.5 percent. As a result of a decline in work in the last two years and an increase in the number of staff in the past year, this indicator increased from the beginning of the five year plan by 13.4 percent as opposed to the plan's requirement of 12. Delays in the economic development of the national economy and its instability have led to the fact that, alongside an increase in the number of staff by 2.7, labor productivity has fallen by 5.2 percent. The established target for labor productivity was fulfilled by 16 railroads.

### Average Monthly Wage

For workers on the operations staff this increased by R102 over the five year period and now comprises R318.

Its high level in 1990 was the result of payments according to results of work for the year and for bonuses for long service that were issued in November and December by a number of railroads.

Hours of overtime work were curtailed by 29 percent and idle hours, by 10 percent.

#### Personnel Turnover

At enterprises over the years of the five year period this increased from 10.1 to 11.4 percent. During 1990, turnover increased by 0.7 percent at 28 railroads. While absenteeism declined across the five year period on all the railroads, with the exception of the Baykal-Amur railroad, and by a factor of almost 1.5 across the network as a whole, last year about 144,000 people failed to report to work.

Since the beginning of the five year period organization of the work and rest schedules of locomotive teams has improved. Trips with violations and extensions by order of the NOD's [chiefs of the railroad sections] declined by a factor of 2.4.

#### Section Chief Interviewed on Rail Modernization Program Details

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[Interview with I.V. Kharlanovich, chief of the Scientific-Technical Main Administration of the Ministry of Railways, by N. Davydov: "Transport Tomorrow"]

[Text] In October of last year, the government of the country adopted a program for re-equipment and modernization of the railroads in 1991-2000. Gosplan [State Planning Committee], the MPS [Ministry of Railways], the Bureau of the Council of Ministers for Machine Building, the State Committee for Science and Technology, the country's Academy of Sciences, Gosstroy [State Construction Committee], Gossnab [State Committee for Material and Technical Supply] and a commission of the USSR Supreme Soviet took part in drawing it up. On the eve of the new year we asked one of the authors of the program—I.V. Kharlanovich, chief of the Scientific-Technical Main Administration of the MPS—to answer a number of questions pertaining to the ways of carrying out this program.

[Davydov] The transition of the country's economy to market rails is creating well-known difficulties for transport. How does the need to modernize its technical resources at the same time affect this process?

[Kharlanovich] It is estimated that the state is losing 12-14 billion rubles a year because of late and irregular transport of raw material, fuel and finished products. This is, to a considerable extent, taking place because of the sector's lagging behind in technical development.

The program specifies strengthening railroad relations in the oblasts and krais, between individual economic

regions and republics and with foreign trade partners. From this standpoint, it should contribute to coordinating the interaction of the roads and the enterprises, as well as the local, republic and union organs of administration in the matter of creating a stable market of transport services under the conditions of a mixed economy.

At the first stage of its realization (1991-1995), a substantial reduction of the shortage of transport resources and rise in service quality is specified. The development of road capacities will make it possible, by 1995, to transport up to 4,300 million tons of freight and greatly increase passenger service potentials.

Railroad transport, however, is not receiving fundamental development and modernization in accordance with this program and will, as before, be operating under great stress. According to the predictions of specialists, national economic losses due to the lack of provision for transport freight will be reduced at slow rates. In 1995, the losses will be approximately 10 billion rubles, and in the year 2000—about 6.5 billion.

As for the economic conditions for carrying out the program, a great deal will depend on the investment policy. All the departments interested in its rapid realization, as well as local, republic and union organs, must participate specifically in financing the work outlined by regions. Only in this way can we count on successful realization of both the program itself and the creation of favorable conditions for the transition of the country's economy to market rails.

[Davydov] Igor Vladimirovich, what do you have in mind when you mention the participation of local and republic organs in carrying out the program?

[Kharlanovich] In order to accelerate the throughput and traffic capacity on the main routes of the network, the former reference points have been substantially revised. The construction of new lines and objects is to be cut to a minimum. It will be continued only in regions developing major raw material bases and at border crossings. The main attention will be devoted to eliminating the bottlenecks of the existing network. This pertains particularly to the transport connections of the Far East with regions of Eastern Siberia, the Urals with the Volga area, the Center and the Northwest of the country, and the Center and the South.

Dozens of classifying and freight stations could be named that, because of this renovation, are subject to expansion of the most heavily loaded stations and passenger terminals. Or, let us say, the sections on which construction of new and secondary tracks and electrification of individual routes are slated could be listed.

You put the question completely correctly, however: realization of the program will in many ways depend on the specific participation of local and republic organizations in these matters, particularly on their participation in renovating stations and developing access tracks and

in constructing housing and other cultural and everyday living projects. They can also be drawn in by introducing forms of service new in principle, let us say, on the basis of contracts between the roads and the consignors, as for example, on accelerated, smooth-flowing freight delivery. After all, the enterprises will then be able to work "from the wheels up" and to be free from worrying about construction and the development of the railroad and warehouse services. Naturally, they should share some of the profit obtained with the railroad workers.

[Davydov] Are there really enough of these resources, however, to finance work on automated control of the transport process and introducing intensive technology?

[Kharlanovich] Of course not. The main economic condition for carrying out the program is ensuring that all the freight presented for transport will be shipped, which at present gives the sector about 90 percent of its profit. At the same time, with market interrelations, the principles of forming revenues from transport will probably be revised. Obtaining additional funds from expanding the services offered to passengers and freight owners will come to the fore, primarily through increasing the volume of traditional services such as loading-unloading operations, delivering and removing the railcars, storing freight, etc.

The interrelations of the roads with the consignors must be revised, and must be built on a commercial basis. It is time, I think, to renounce the system of fines for above-normal idle time of cars. It is more logical to make a transition to payment for their use, which should be calculated for the entire idle time for loading and unloading. In this case, the size of the rate is to be established on the basis of the sum of the revenues received from one railcar-hour. The losses of the roads due to inefficient use of the cars can thus be compensated.

The enterprises will have to choose: either pay for the use of a car as a warehouse on wheels, or develop their own freight service and reduce the payments. This form of interrelations between the roads and the clientele is economically preferable to the one now existing. Moreover, it is more profitable, not only for the railroad workers, but also for the entire national economy, since in the last analysis it is an effective lever for accelerating the turnover of the goods produced by industry and agriculture.

[Davydov] How are you planning to solve the problem of the shortage of rolling stock, particularly locomotives?

[Kharlanovich] The readers of GUDOK are quite well informed on our difficulties with the locomotive fleet. There is thus no need to explain the situation that has now formed. The program specifies modernizing the VL85 and VL15 12-axle electric trains using alternating and direct current that are now being produced and have no unit power analogs abroad. Their power and tractive parameters are to be improved.

With respect to the structure of individual units and equipment, however, and mainly, with respect to the reliability and durability of the basic ones, our electric locomotives lag behind foreign ones. It is therefore outlined that electric locomotives of the third generation, using alternating and direct current, as well as dual power supply, be developed. There will also be a solution to the problem of producing a domestic electric passenger locomotive, with a power of 7,000-8,000 kw, with a design speed of 160-180 kilometers per hour.

New, more powerful and economical mainline freight diesel locomotives with a section power of 4,000 and 6,000 horse power, with alternating and alternating-direct current transmission will be developed. The problem of introducing electric heating for passenger consists on nonelectrified lines is to be solved by developing a passenger diesel locomotive with 2 X 4,500 h.p. with a train power supply system. In this way, passenger comfort will be increased and the work of the train crews will be made easier.

[Davydov] The situation seems even more complicated with respect to railcar production. Are we hoping for deliveries of compartment cars from Germany, as before?

[Kharlanovich] Not only that. Work is already being done to develop domestic compartment cars with a block-module structure, and with a redesigned compartment and stainless steel body, which are designed for speeds of 160 and 200 kilometers per hour.

The freight car fleet is no less worrying. Series production of several promising types of cars, with improved technical and economic specifications, is slated for development in the coming decade. Among them are both all-purpose and specialized cars with increased freight capacity, including an all-purpose gondola for free-flowing freight, boxcars, flatcars and hopper cars for mineral fertilizers, pellets and agglomerate, tank cars for gasoline, alcohol, methanol, acids, mineral water, wine and juices, hopper cars for pulverized freight, flour, etc. Freight cars are to be equipped with stronger coupling devices, as well as brake systems for running trains of increased weight and length.

[Davydov] Transport scientists and designers are probably also assigned no small role in carrying out this program?

[Kharlanovich] It can be said with certainty that scientific-technical progress is the decisive factor in increasing the power and improving the work of the sector. In general, the efforts of the developers and sectorial science are being concentrated on the most promising directions, new in principle. I have in mind the program, "High-Speed Mainline for the Center-South," the realization of which will ensure the transition to a qualitatively new level of passenger service and will become a new stage in the development of railroad transport, operating at high speeds and with greater loads, and with complete ensurance of passenger safety. The program

devotes a great deal of attention to the problem of ecology and environmental protection. A great amount of research has been done for the purpose of developing the throughput, traffic and processing capacities of the roads, as well as on priority expansion of the possibilities of social service for the railroad workers.

I will give a few specific examples. In the sphere of automating and improving transport process control, the development and introduction on all the roads of automated transport control systems, as well as an automated dispatcher center for the MPS, is to be completed by 1995. A complex of technical devices to ensure more rigid monitoring of the state of critical junctions for rolling stock and tracks is slated for introduction, for the purpose of maintaining traffic safety. Locking and sealing devices will be improved and new technical devices created to protect freight at stations, freight yards and en route.

[Davydov] How do these and other improvements specifically affect the people's work conditions?

[Kharlanovich] The introduction of new technical devices will make it possible to remove from the danger

zone and improve work conditions for 22,000 car workers, 85,000 track workers, 20,000 car traffic speed regulators and switch post duty attendants. Through automating and mechanizing the production processes, we hope to completely eliminate heavy work for women. By 1995, it is planned to create wood preservatives to impregnate wooden ties and beams that will be harmless to human health.

On the whole, the program will make it possible to solve certain problems of transport development and to stabilize its work somewhat. As I have already emphasized, however, it will not ensure fundamental development and modernization, and railroad workers will work under great stress.

[Davydov] Does this turn out to be a program of survival rather than a program of development for transport?

[Kharlanovich] It is most probably that way. Whether it is enough, under the conditions of a market economy—is hard to predict, especially since only revenues and profit can become a stimulus to carry out the modernization outlined. Anyone who does not learn commerce will have a hard time surviving.

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